

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Belmont

DATE: April 1, 1963

FROM : C. A. Evans

JUNE

SUBJECT: MICROPHONE SURVEILLANCES
LAS VEGAS DIVISION

Our highly confidential source at the Desert Inn Hotel

Las Vegas, has advised that the Desert Inn has used [redacted] electronics expert to check the cars, homes and telephones of all Desert Inn officials in an effort to locate any concealed listening devices.

has been known.

to our files since [REDACTED]

ЗДС.

1 - Mr. Rosen
1 - [REDACTED] 815 RB
1 - Laboratory

VPT: 258

55

92-3061-
NOT RECORDED
126 APR 17 1963

2. 2. 2008

1997-1998

SPIC. NAME RAS.

MAY 13 1963

Memorandum to Mr. Belmont

Re: [REDACTED]

Las Vegas Division

The most recent information concerning [REDACTED]

advised our Los Angeles Office that [REDACTED] had received information from a highly confidential source that [REDACTED]

not know whether [REDACTED] erected such installations, however, checks were being made.

EVALUATION

It appears [REDACTED] in his contacts with Desert Inn [REDACTED]

b7C [REDACTED] He does, however, have contacts with numerous private investigators who in turn have police department and telephone company contacts and he should be considered ~~as a~~ possible threat to our highly confidential sources.

ACTION

The SAC, Las Vegas advises that the security of our microphone at the Desert Inn has not been jeopardized and is not likely to be uncovered. Las Vegas has taken appropriate security precautions concerning our microphone surveillance at the home of John Drew, an official of the Stardust Hotel and associate of Desert Inn officials. Las Vegas, in addition, is conducting a discreet inquiry to determine additional particulars concerning [REDACTED] activities.

Los Angeles and San Diego have been alerted so that personnel monitoring our installations will be alert to any activity indicating that security checks for microphones are being made.

[REDACTED] is apparently gaining a reputation as an electronics expert and [REDACTED] is widely in this capacity. He was reportedly [REDACTED] by [REDACTED]

[REDACTED] in the interest of security it would, therefore, seem wise to advise all field offices of [REDACTED] activities so they might be doubly alert should [REDACTED] be operating in their territory.

Memorandum to Mr. Belmont
Re: ~~Surveillance~~
Las Vegas Division

b7C To that end there is attached for approval a proposed
airtel to all SACs alerting them to and reminding offices
again to be constantly alert to the efforts of hoodlums to learn
of investigative activities directed at them.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-3068)

DATE: 3/29/63

FROM: *[Signature]* LEGAT, MEXICO (92-26) (P)

SUBJECT: MORRIS BARNEY DALITZ, AKA
AR

Remylet 1/31/63 and Las Vegas airtel to Bureau 2/20/63.
Referenced Las Vegas airtel contains lead requesting available
background and activities of [REDACTED]

[REDACTED] contain the following information regarding [REDACTED]

b7C
b7D

There is no record of [REDACTED]

[REDACTED] also has no record of him. Other sources are being
contacted in an effort to identify him.

- 5 - Bureau
 - (1 - Liaison Section)
 - (2 - Las Vegas, 92-461)
- 1 - Mexico City

JBG:plh
(6)

REC- 61

92-3068-384

3 APR 2 1963

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 9/18/91 BY 6550P/CLC/CA

335605

56

[Handwritten notes and signatures]
200-7-153
0-7-4/63

120

MC 92-26

[REDACTED]

LEADS

MEXICO CITY

At Mexico, D. F., Mexico:

Through available sources will attempt to identify
[REDACTED]

At Acapulco, Guerrero, Mexico:

Will endeavor to determine subject's activities, in addition to the construction of a house.

F B I

Date: 3/28/63

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO : Director, FBI (92-3068)

FROM: SAC, Las Vegas (92-461) -P-

MORRIS BARNEY DALITZ, aka
AR
OO: LV

WEEKLY SUMMARY

The following information was furnished by [REDACTED]
on the dates indicated.

Informant furnished no pertinent information on
3/11 or 3/12/63.

Informant advised on 3/13/63 that on this date [REDACTED]
[REDACTED] of the Desert Inn Hotel,
Las Vegas, Nev., was contacted by a representative of the [REDACTED]

[REDACTED] was also in contact with [REDACTED], who
was in New York City. [REDACTED] indicated that he was satisfied

Information from [REDACTED] if
utilized should be carefully
paraphrased in order to protect
the identity of this source.

- ③ - Bureau (REG)
6 - Las Vegas
(1 - 92-461)
(1 - 92-461-Sub 1)
(1 - [REDACTED])
(1 - [REDACTED])
(1 - 92-707-Desert Inn Hotel)
(1 - 92-363-WILBUR CLARK)

RE: [REDACTED]
(9) Memo to Belmont Memo
4/1/63 [REDACTED] (rep 4)

APR 8 1963
Approved: [Signature] 127

Special Agent in Charge

Sent

M

Per [Signature]

MAY 30 1963

12-3068-385

LV 92-461

with the result of his trip to New York and that he believed everything would work out satisfactorily. [REDACTED] was in New York in connection with [REDACTED]

Informant furnished no pertinent information on 3/14, 15, 16, 17, 18, or 19/63.

Informant advised on 3/20/63 that [REDACTED] DALITZ, SAMUEL TUCKER and possibly others are considering purchasing a hotel on the French Riviera. This hotel is owned by a man named [REDACTED] (PH). The owner's original asking price was \$3 million, however, he has since indicated that he wants \$4 million for the hotel. If the above group purchased this hotel, financing will be arranged through a bank in Switzerland. Both [REDACTED] and DALITZ have talked to [REDACTED] and have inspected the hotel and desire to make the purchase if favorable arrangements can be made. The group will have to come up with \$1 million cash and secure a loan for the balance.

b7C [REDACTED] DALITZ and a few of their other close associates are considering chartering an insurance company to do business in the State of Nevada. [REDACTED] commented that [REDACTED] of Nevada is very unhappy since he has not been able to make any money while in office. He feels that when he retires from office in four years that he will leave a broke man. [REDACTED] does not believe that the [REDACTED] could be given money but he believes it might be possible to work him into the business and give him a kickback on any insurance business he brings into the company. [REDACTED] feels that \$10,000 worth of stock would in four or five years be worth as much as \$400,000.

Informant advised on 3/21/63 that on the previous evening [REDACTED] at the Desert Inn Hotel [REDACTED]

LV 92-461

[redacted] and the other executives of the Desert Inn Hotel are extremely upset with local agents of IRS. Approximately 9 of these agents have been reviewing hotel records for several months and in several instances they have requested the hotel to make available the same records on several different occasions. [redacted] made the observation that if they were in any other business other than a privileged industry, that hotel officials would be justified in publicly complaining of the waste of the taxpayers' money.

b7c [redacted] was subsequently contacted by two IRS Agents to ask him if he [redacted] and whether he also represented several of the individual owners. [redacted] stated he did represent the hotel and also represented DALITZ, WILBUR CLARK and several of the other owners. [redacted] the fifth amendment if they were called to testify before a Grand Jury or other hearing. [redacted] did not answer the question specifically, indicating that it would depend on the question and the circumstances; however, he did agree that if IRS agents desired to submit certain questions in writing that he would instruct his clients to answer these questions where possible.

Informant also learned on this date that WILBUR CLARK had appeared before the Trustees of the Teamsters Union Pension Fund in Chicago, Ill., and favorable consideration had been given to a loan to CLARK in the amount of \$3-4 million. This money is to be used by CLARK to construct a 200-unit apartment house in Las Vegas. (This information has been furnished to the Bureau in letterhead memorandum for dissemination to the Dept.)

Informant advised on 3/22/63 that [redacted] at the Desert Inn Hotel an incident which occurred approximately two weeks ago in the hotel lounge. At this time a show girl who was playing at the Desert Inn Hotel became involved with a "high roller" who had won approximately \$25,000. This individual was extremely inebriated and the show girl was taking him out of the hotel with the intention of going to her apartment. Hotel officials claim that they were protecting the customer since they felt the girl intended to "roll" him for his bank roll. A Pit Boss attempted to stop the man from leaving with the girl and a shuffle ensued. During the shuffle the Pit Boss knocked off the

b7c | girl's wig, which infuriated her. As a consequence, she tipped over several tables and created a scene in the Lounge. According to [REDACTED], they subsequently interviewed this girl and she indicated that she had to play the high rollers in order to make ends meet and she felt this was one of the "fringe benefits" which she derived from working as a show girl. [REDACTED] stated this girl had been "promiscuous" with [REDACTED] (not further identified) for several months and she had threatened to call President KENNEDY unless the Pit Boss was fired.

| (This show girl has been identified as [REDACTED] or [REDACTED]. The Salt Lake City Office has previously had an investigation on [REDACTED]

| [REDACTED]. It was established that the letter writer was probably a disgruntled boyfriend of [REDACTED]. [REDACTED] she has been employed by several hotels in Las Vegas and has also worked in New York City and other parts of the country. She is known to have been a girl friend of ELVIS PRESLEY, entertainer, at one time.)

| Informant furnished no pertinent information on 3/23, 24, 25/63.

| DALITZ SHOULD BE CONSIDERED ARMED AND DANGEROUS.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LAS VEGAS	OFFICE OF ORIGIN LAS VEGAS	DATE 4/3/63	INVESTIGATIVE PERIOD 1/18/63 - 4/1/63
TITLE OF CASE MORRIS BARNEY DALITZ, aka		REPORT MADE BY SA [REDACTED]	TYPED BY sak
		CHARACTER OF CASE AR b7C	

REFERENCES:

Las Vegas report of SA [REDACTED] dated 1/18/63.

- P -

ENCLOSURES:

TO THE BUREAU: Original and one copy of letterhead memorandum setting forth characterization of informants utilized in this report.

ADMINISTRATIVE:

The armed and dangerous caution statement relating to the subject has been removed. DALITZ has several guns registered at the Clark County Sheriff's Office, Las Vegas, Nevada; however, it is noted he is an avid hunter and most of these guns are ~~hand~~ rifles. He has never been known to personally carry a side arm, [REDACTED] he has never used threatening language nor given any indication of being physically dangerous.

APPROVED

SPECIAL AGENT
IN CHARGE

COPIES MADE:

④ - Bureau (92-3068) (R.M.)

2 - Las Vegas (92-461)

RECEIVED
MAY 2 1963

DESTROYED 3 55 AM '83

9 25 1963 RECORD OF ATTACHED REPORT

AGENCY

REQUEST RECD.

DATE FWD.

HOW FWD.

BY

DO NOT WRITE IN SPACES BELOW

12 APR 5 1963

REC-27

EX-114

NOTATION

STAT. SECT.

LV 92-461

INFORMANTS:



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LEADS:

THE LAS VEGAS DIVISION:

AT LAS VEGAS, NEVADA:

Will follow and report activities of subject.
Additional leads have previously been set out to individual
offices by separate communication.

B* -

C O V E R P A G E

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:
Date:SA [REDACTED]
4/3/63

Office:

Las Vegas, Nevada

Field Office File No.:

Las Vegas (92-461)

Bureau File No.:

(92-3068)

Title:

MORRIS BARNEY DALITZ

Character:

ANTI-RACKETEERING

Synopsis:

b7C
L

DALITZ recently returned to Las Vegas after being in Europe for about 45 days. He is a close associate of JAMES HOFFA, President of the Teamsters Union, and personally agreed to put up the bond for teamsters officials. [REDACTED]

[REDACTED] or people he represents, reportedly own 40 percent of the Stardust Hotel, Las Vegas, of which DALITZ is majority stockholder. [REDACTED] instrumental in persuading JOHN FACTOR to sell the Stardust property to DALITZ and his associates. Subject has financial interests in Cleveland, Ohio, and Detroit, Michigan. He and his associates are considering organizing an insurance company in Nevada, and also purchasing a hotel on the French Riviera. Subject may be subpoenaed to appear in civil suit in Detroit. He is constructing a home in Acapulco, Mexico; however, he is having difficulty with an individual who is handling the financing.

- P -

DETAILS:TRAVEL

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[REDACTED] advised on various occasions that on February 15, 1963, DALITZ departed Las Vegas on an extended trip. He traveled first to Beverly Hills, California, and then to Acapulco, Mexico. He remained in Acapulco at the home of a [REDACTED] for approximately two days following which he flew to New York City and from there to Madrid, Spain. At Madrid he was joined by [REDACTED]

b2 [REDACTED] DALITZ and [REDACTED] a yacht which was recently completed in Norway, and they joined this yacht at a location near Madrid. During the time DALITZ was in Europe, he was also known to have spent several days in Cannes and Paris, France. He returned to Las Vegas via New York City and Chicago, arriving here on March 31, 1963. Informants have advised that this was primarily a vacation junket; however, while he was in Europe, he inspected real estate which he and his associates are considering purchasing.

ASSOCIATES

b2 [REDACTED] advised in February, 1963, that DALITZ is a close associate of JAMES HOFFA, President of the Teamsters Union. Subject and HOFFA grew up in the same neighborhood and have known each other for many years. HOFFA assisted DALITZ in securing loans from the Teamsters Pension Fund in Chicago, Illinois. These loans were used to construct a modern office building, a golf course, and a housing development in Las Vegas. When HOFFA was recently attempting to locate a bonding company to bond teamsters officials, DALITZ agreed to put up the money personally if it could not be secured from some other source.

ILLEGAL ACTIVITIES

b2 b7C [REDACTED] advised in early January, 1963, that [REDACTED], or people represented by him, own or control 40 percent of the Stardust Hotel. Money is taken out of the Stardust on a regular basis, which money is paid to [REDACTED] and/or the group he represents. DALITZ, who is President of the group that operates the Stardust Hotel and is a majority stockholder of this leasee corporation, has knowledge of and acquiesces in this activity.

[REDACTED] advised in early February, 1963, that DALITZ and his associates recently secured an option to purchase the Stardust Hotel property from JOHN "JAKE THE BARBER" FACTOR. DALITZ feels they made an excellent deal when they secured this option. [REDACTED] was instrumental in the negotiations

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b7c and helped work out many of the details of the contract. He subsequently made the observation that one reason they were able to persuade FACTOR to agree to the terms of the option was because [REDACTED] had implied on several occasions during the course of the negotiations that certain members of the Chicago criminal element would be very unhappy if FACTOR did not sign. [REDACTED] reference was to SAMUEL M. GIANCANA and his associates in Chicago. GIANCANA is reported to be the head of organized crime in the Chicago area. [REDACTED] is known to be a close associate of the GIANCANA group and is frequently in personal contact with these individuals.

LEGITIMATE BUSINESS ACTIVITIES

b2
b7c [REDACTED] advised in October, 1962, that DALITZ had interests in Cleveland, Ohio, and Detroit, Michigan, including an interest in an ice arena which is run by a group from Detroit with the assistance of an individual who resides in Cleveland. A man named [REDACTED] is DALITZ's representative in Detroit. Others connected with the ice arena are individuals named [REDACTED]. A review of Detroit files reflects that [REDACTED]

L
b7c Files of the Detroit Office further reflect that in September, 1954, [REDACTED]

L
b7c The files of the Detroit Office also reflect that one [REDACTED]

b7c [REDACTED]
[REDACTED]
L [REDACTED]
F It is not known whether the [REDACTED] referred to above is identical with the individual referred to by [REDACTED] as being subject's representative in Detroit.

b2 b7c [REDACTED] advised in February, 1963, that DALITZ has been receiving a salary on a regular basis from [REDACTED] in Detroit. This represents income from a laundry located in Detroit, in which DALITZ has an interest. This salary is being discontinued since DALITZ is not participating in the operation of the business and the profits from the business are not as large as they have been in the past. DALITZ does not object to having his salary deferred, but he has objected to having his salary discontinued.

[REDACTED] advised in early March, 1963, that DALITZ and a few of his close associates are considering organizing a life insurance company in Nevada. Tentative arrangements are to capitalize this company for about \$200,000 and then affiliate with the Reinvestment Insurance Company in New York City. With this arrangement the local company could write large policies if they desired. The company will be incorporated in Nevada, and will probably be named either the Mayflower Life Insurance Company of Nevada, or the National Life Insurance Company of Nevada. They feel that in one year after the company is organized, their \$200,000 investment will be worth \$1,000,000.

L [REDACTED] advised in March, 1963, that DALITZ and a few of his close associates are considering purchasing a hotel on the French Riviera. This hotel is presently owned by a man named [REDACTED] (phonetic). The present asking price for the hotel is approximately \$4,000,000. If the group decides to purchase the hotel, financing will be arranged through a bank in Switzerland. DALITZ talked to [REDACTED] when the subject was recently in France, and also inspected the hotel property at

LV 92-461

that time. The group is desirous of purchasing the hotel if favorable financial arrangements can be worked out.

MISCELLANEOUS

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[redacted] advised in January, 1963, that several years ago DALITZ was in business with an individual in Detroit, Michigan. This person recently died and [redacted], is representing the estate. A lawsuit has been filed against the estate by a supplier, and [redacted] has filed a countersuit in the amount of \$50,000. In connection with the bankruptcy proceedings, DALITZ has been subpoenaed to testify. He is very reluctant to take the stand in this case since he is under constant investigation, and he feels his testifying may place him in jeopardy. DALITZ determined there is a six year criminal statute in Detroit, and his connections with the matter occurred prior to this time. Nevertheless, he is very reluctant to testify and has indicated he prefers to furnish a deposition.

The Detroit Office has advised that [redacted]
[redacted]
[redacted]

L
[redacted] Bankruptcy Court, United States District Court, Detroit, advised there is a case involving involuntary bankruptcy of JACK CINNAMON, also known as Jack Cinnamon Market. This case is presently pending and a review of the court records reflects that DALITZ may be called as a witness.

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b7c
[redacted] advised in January, 1963, that DALITZ is constructing a home in Acapulco, Mexico. [redacted] he has indicated he has no further interests in Mexico, and has no desire to engage in gambling activities in that country.

[redacted] advised further in February, 1963, that in connection with the construction of DALITZ's home in Acapulco, the financing was handled through a [redacted]. DALITZ gave the money to [redacted] and he made payments to the contractor as the work progressed. Subject originally put up \$100,000 to pay construction costs. The final payment to the contractor was to be in the amount of \$10,000. However, this check which was made out by [redacted] was returned marked "insufficient funds."

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67C DALITZ has an acquaintance in Mexico, named [REDACTED]
[REDACTED] Mexico. [REDACTED] is attempting to locate [REDACTED] and see
that he makes the check good. DALITZ has assured the
contractor that he will personally make the check good if
[REDACTED] cannot be located. DALITZ feels there is nothing
"tainted" about the money going into the home in Acapulco
and nothing respecting the deal need be hidden.



In Reply, Please Refer to
File No.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Las Vegas, Nevada

April 3, 1963

Title MORRIS BARNEY DALITZ

Character ANTI-RACKETEERING

b7C Reference Las Vegas report of SA [REDACTED]
[REDACTED] dated and captioned as
above.

All sources (except any listed below) used in referenced
communication have furnished reliable information in the past.



In Reply, Please Refer to
File No.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Las Vegas, Nevada

April 3, 1963

MORRIS BARNEY DALITZ
ANTI - RACKETEERING

b7c [REDACTED] Reference is made to the report of Special Agent
[REDACTED] dated April 3, 1963, at Las Vegas.

Set forth below is a characterization of informants
utilized in referenced report.

┐
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b7D
[REDACTED]

L
This document contains neither recommendations nor
conclusions of the FBI. It is the property of the FBI and is
loaned to your agency; it and its contents are not to be
distributed outside your agency.

FBI

Date: 3/25/63

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO DIRECTOR, FBI
FROM SAC, LOS ANGELES (92-143A)
RE MORRIS BARNEY DALITZ, aka.
AR

ReBuairtel 3/20/63

A review of information in Los Angeles Office files regarding _____

showed the following:

BARN

In case entitled, _____
Bufile _____ (01) in which the Washington Field Office
is origin, _____

- 3 - Bureau (RM)
- 1 - Las Vegas (AM) (info)
- 1 - Louisville (AM) (info)
- 1 - Los Angeles

LJH/ash
(6)

Approved: _____
Special Agent

Sent _____ M Per _____

62 APR 16 1963

REC-69

92-3068-38

MAY 28 1963

RECEIVED
COMMUNICATIONS SECTION
MAY 21 1963

RECEIVED

RECEIVED
MAY 21 1963

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ST-120

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

2 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deletions were made pursuant to the exemptions indicated below with no segregable material available for release to you.

Section 552Section 552a☐ (b)(1)☐ (b)(7)(A)☐ (d)(5)☐ (b)(2)☐ (b)(7)(B)☐ (j)(2)☐ (b)(3)☒ (b)(7)(C)☐ (k)(1)☐ (b)(7)(D)☐ (k)(2)☐ (b)(7)(E)☐ (k)(3)☐ (b)(7)(F)☐ (k)(4)☐ (b)(4)☐ (b)(8)☐ (k)(5)☐ (b)(5)☐ (b)(9)☐ (k)(6)☐ (b)(6)☐ (k)(7)

- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

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HQ 92 - 3068 - 387 pg 2 + 3

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X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXXXXXXXX
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LA 92-143A

Metropolitan Police Department [REDACTED] as a suspect in the latter robbery because he was known to detectives of No. [REDACTED] Precinct, Metropolitan Police Department, Washington, D.C., which covers the area of the victim institution, as a person having been arrested for [REDACTED]

[REDACTED] His physical description was similar to that of the unidentified robber. [REDACTED]

b7C
b7D
[REDACTED] Investigation in the District of Columbia determined [REDACTED]

Investigation at Los Angeles showed that [REDACTED] was working for [REDACTED] and that he saw [REDACTED] every day until the latter part of [REDACTED]

In connection with an investigation in [REDACTED] in the matter entitled, [REDACTED] was a suspect and was interviewed [REDACTED]

[REDACTED] At that time he denied any knowledge of the matter under investigation and alleged that on [REDACTED] he resided at [REDACTED] He claimed it was his recollection that he was [REDACTED] on that date. [REDACTED] living at the above address and that they departed [REDACTED]

[REDACTED] substantiated the interview of [REDACTED] claiming that she and [REDACTED]

LA 92-143A

[redacted] were together [redacted] and that they did not [redacted] on that day to the best of her recollection.

[redacted] when he moved from the apartment. Records of the Los Angeles Post Office show that [redacted] gave a change of address on [redacted]

b7C
b7D [redacted] although she did not think it was to any great extent. About nine months after they moved to this address, the neighbor said [redacted]

[redacted] this neighbor said she understood [redacted]

U. S. Post Office records show [redacted] gave a change of address in [redacted]

[redacted] was interviewed at the latter address and said he was renting an apartment at that address and working for [redacted]

[redacted] He emphatically denied possessing any information to that previously recorded.

Subsequent investigation by the Washington Field Office could not verify or disprove [redacted] claim as to his activity at [redacted] it did disclose, however, that [redacted]

[redacted] and that the reason for their departure was not known to persons interviewed. Just prior to their

LA 92-143A

departure from Washington, D.C. the [REDACTED] were in very [REDACTED]

[REDACTED] on [REDACTED] stated that [REDACTED] from [REDACTED], approximately six months previously. He made several trips to [REDACTED] and on [REDACTED] accompanied by [REDACTED]

In a matter entitled "UNSUBS (2): 1951 Cadillac, light green, bearing California tag [REDACTED] ITSMV; ITSP, Charlotte origin, it is recorded that two unidentified males attempted to [REDACTED]

Los Angeles Police Department and Los Angeles Sheriff's Office records were checked in January, 1956, and records of Retail Merchants Credit Association were checked in February, 1956. No record was found on [REDACTED]. No record was found on stolen camera equipment which met the description of that supplied by the Charlotte Office.

XXXXXX
XXXXXX
XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET2 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒
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Section 552Section 552a☐ (b)(1)☐ (b)(7)(A)☐ (d)(5)☐ (b)(2)☐ (b)(7)(B)☐ (j)(2)☐ (b)(3)☒ (b)(7)(C)☐ (k)(1)☐ (b)(7)(D)☐ (k)(2)☐ (b)(7)(E)☐ (k)(3)☐ (b)(7)(F)☐ (k)(4)☐ (b)(4)☐ (b)(8)☐ (k)(5)☐ (b)(5)☐ (b)(9)☐ (k)(6)☐ (b)(6)☐ (k)(7)

- ☐
- Information pertained only to a third party with no reference to you or the subject of your request.

- ☐
- Information pertained only to a third party. Your name is listed in the title only.

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- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

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- ☒
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X NO DUPLICATION FEE X
X FOR THIS PAGE X
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FBI/DOJ

141

LA 92-143A

b7C
[REDACTED]

Prosecution in the foregoing matter was declined by the U. S. Attorney at Los Angeles, 11/13/57, for the stated reason that there were insufficient facts upon which to base any prosecution under Federal law.

[REDACTED]

XXXXXX
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XXXXXX

**FEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET**

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- ☒ Deletions were made pursuant to the exemptions indicated below with no segregable material available for release to you.

Section 552

Section 552a

- ☐ (b)(1)

- ☐ (b)(7)(A)

- ☐ (d)(5)

- ☐ (b)(2)

- ☐ (b)(7)(B)

- ☐ (j)(2)

- ☐ (b)(3)

- ☒ (b)(7)(C)

- ☐ (k)(1)

- ~~(b)(7)(D)~~

- ☐ (k)(2)

- ☐ (b)(7)(E)

- (k)(3)

- ☐ (b)(7)(F)

- ☐ (k)(4)

- ☐ (b)(4)

- ☐ (b)(8)

- ☐ (k)(5)

- ☐ (b)(5)

- ☐ (b)(9)

- ☐ (k)(6)

- ☐ (b)(6)

- ☐ (k)(7)

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HQ 92 - 3068 - 387 pg 10

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X DELETED PAGE(S) X
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LA 92-143A

"Los Angeles Herald-Examiner" 5/25/62 news article reports spokesman for Southern Counties Gas Company and Southern California Gas Company, companion corporations, of Los Angeles as stating that on 3/11/62 the Southern Counties Gas Company discovered a hidden transmitter about the size of a pill box attached to the telephone of GUY W. WADSWORTH, Jr., President of the company, in his Los Angeles office. The spokesman said police had not been advised, but added that a similar "bugging" had been discovered by MALCOLM DUNGAN, Attorney for El Paso Natural Gas Company, on his phone in a Washington, D.C. hotel suite. According to the article, the gas companies want to construct a pipeline from Rock Springs, Wyoming, to Southern California. Their request has been before the Federal Power Commission since 1958.

b7c



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XXXXXXFEDERAL BUREAU OF INVESTIGATION
FOIPA DELETED PAGE INFORMATION SHEET

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Section 552Section 552a☐ (b)(1)☐ (b)(7)(A)☐ (d)(5)☐ (b)(2)☐ (b)(7)(B)☐ (j)(2)☐ (b)(3)☒ (b)(7)(C)☐ (k)(1)☐ (b)(7)(D)☐ (k)(2)☐ (b)(7)(E)☐ (k)(3)☐ (b)(7)(F)☐ (k)(4)☐ (b)(4)☐ (b)(8)☐ (k)(5)☐ (b)(5)☐ (b)(9)☐ (k)(6)☐ (b)(6)☐ (k)(7)

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HQ 92 - 3068 - 387 pg 12

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LA 92-143A

[REDACTED]

The foregoing is summarized from the report of SA [REDACTED] dated 8/16/62 at Los Angeles. The device found by [REDACTED] was turned over by [REDACTED] to the Los Angeles Office as an exhibit for possible future use.

[REDACTED]

b7C [REDACTED]

[REDACTED] several years ago. Details of [REDACTED] connection with that matter are unknown to the Los Angeles Office).

[REDACTED]

[REDACTED]

LA 92-143A

[REDACTED]

b7c

[REDACTED]

[REDACTED] FRANK D. MONROE
who attended the Apalachin Meeting 11/14/57
JOHN ROSSELLI, long associated with Chicago and
Los Angeles racketeers; and [REDACTED] for-
mer bookmaker [REDACTED]
[REDACTED] in Chicago).

It appears that JOHN ROSSELLI was utilized by
[REDACTED] on a project in 1960 and 1961 and that
ROSSELLI [REDACTED] character,
about seven years ago. ROSSELLI was an admitted contact
of SAMUEL M. GILNCANA, Chicago hoodlum.

EVALUATION:

[REDACTED]

LA 92-143A

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[REDACTED]

L
[REDACTED]

JOHN ROSSELLI contacted [REDACTED] on 3/21/63 and [REDACTED] message, according to [REDACTED] that ROSSELLI would be at the Friar's Club, Beverly Hills, California, from 1:30 p.m. that day. Subsequently on 3/21/63, ROSSELLI [REDACTED]

b2
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b7D
[REDACTED]

ROSSELLI's close connections in Las Vegas, Nevada, gambling casinos is well known and for this reason [REDACTED] may entre to business in Las Vegas.

b7c
With reference to [REDACTED] it is considered extremely significant that Special Agent [REDACTED] stated on 8/15/62 that his office (of which he is not the supervision officer) has recommended to the [REDACTED]

LA 92-143A

b7c [REDACTED]

Reference to a private line, on page 4 of Las Vegas airtel 3/12/63, may be to the Los Angeles area reservations office of the Desert Inn of Las Vegas, 233 South Beverly Drive, Beverly Hills, California, published phone BR 2-7875. Telephones in Beverly Hills have BRAdshaw and CRestview prefixes. Switching equipment for the exchanges is at the company installation at 409 North Yoothill Road, Beverly Hills, which is near, but not in, Hollywood. There is another exchange for Hollywood phone numbers, and it is located in Hollywood.

b7c [REDACTED]

on 3/26/63 [REDACTED]

[REDACTED] The Bureau has been advised separately on this situation in matter entitled [REDACTED] UPUC."

LA 92-143A

In view of [REDACTED] contacts with numerous Private Investigators who have police department contacts, and his having been [REDACTED]

b7C [REDACTED] to conduct an investigation for them, it is considered [REDACTED] is a threat to the Bureau's investigations of all types where an ample supply of money is available to him.

F B I

Date: 4/10/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-3068)
SAC, LOS ANGELES

FROM : SAC, LAS VEGAS (92-461) (P)

SUBJECT: MORRIS BARNEY DALITZ, aka
AR
OO: LAS VEGAS

WEEKLY AIRTEL SUMMARY

The following information was furnished by [REDACTED]
on the dates indicated:

Informant advised on 3/26/63 that IRS Special Agent [REDACTED] of their Los Angeles office is checking in Las Vegas, Nevada, on the activities of JOHN ROSELLI. One of the items in which they are specifically interested is his prior connection with Marina Incorporated. ROSELLI reportedly has or had an interest in this corporation and WILBUR CLARK, President of the Desert Inn Hotel, was also formerly an owner. IRS received information that JOHN ROSELLI had given funds to WILBUR CLARK, who in turn invested these funds in Marina Incorporated for JOE BREEN, a close associate of ROSELLI's.

Information from [REDACTED] if utilized, should be carefully paraphrased in order to further protect the identity of this source.

3-Bureau (R.M.)
2-Los Angeles (R.M.)
(1 - 92-113 JOHN ROSELLI)
12-Las Vegas (1 - 92-461)
(1 - 92-461 Sub 1)
(1 - [REDACTED])
(1 - [REDACTED])
(1 - 92-363 WILBUR CLARK)
(1 - 92-21 JOHN DREW)
(1 - 162-10 GEORGE GORDON)
(1 - 92-467 JOHN ROSELLI)
(1 - [REDACTED])
(1 - [REDACTED])

EX-102
(1 - 92-704 Flamingo Hotel)
(1 - 92-707 Desert Inn Hotel)

92-3068-385
REC-41
APR 12 1963

Approved: [REDACTED]

Special Agent in Charge

Sent

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[redacted] of the Desert Inn Hotel, determined from CLARK that ROSKILLI had not given money to CLARK as set forth above but rather CLARK had loaned the money directly to BRENN and this loan had subsequently been repaid by BRENN. [redacted] also consulted with [redacted] CLARK and the Desert Inn Hotel at Los Angeles, California, and determined from [redacted] that CLARK was "clean" in this matter.

Nevertheless, [redacted] recommended to CLARK that he not talk with the IRS Agent since he is under active investigation and even though he is not directly involved, he should still not make any statements as a matter of policy. [redacted] made the comment to the informant that CLARK is easily confused and since he had his partial stroke he gets everything all mixed up and consequently he could possibly involve himself when he is not actually in the wrong.

b7c
Informant advised on 3/27/63 that WILBUR CLARK was recently in Chicago, Illinois, at which time he met with the trustees of the Teamsters Union Pension Fund. Approximately fifteen individuals were in attendance, including JIMMIE HOFFA and [redacted]. The trustees questioned CLARK at length following which they took a vote as to whether he should be granted a \$5,000,000.00 loan to construct an apartment building in Las Vegas. They agreed that the loan should be made and that the commitment letter would be prepared and forwarded to Las Vegas within the next few days. The apartment planned by CLARK is to be a high-rise structure located in the vicinity of the Desert Inn Hotel. There will be 201 delux rooms and approximately 40 to 50 of these rooms will be set aside to accommodate guests of the Desert Inn on weekends or other times when the hotel's rooms are filled.

Based on the favorable consideration given to CLARK, he has retained architects and they are going ahead with the project and hope to have the apartment completed within four months. [redacted] raised the question that possibly something would be contained in the commitment letter which would not be agreeable to CLARK and the loan would not go through. Since this is a remote possibility, CLARK agreed to advance the architects \$15,000.00 to cover any expenses they may incur prior to the time the commitment is finally signed. [redacted] also stated that a possibility exists that the Federal Government may step in and issue an injunction to stop the loan in view of the pressure presently being exerted on the Teamsters

LV 92-461

Union. CLARK believes this is unlikely even though there are two other loans from the Teamsters Union from which money is presently being expended in Las Vegas. There is a \$6,000,000.00 loan to JOHN FACTOR for construction of an addition to the Stardust Hotel and also a four and one-half million loan to construct the addition to the Dunes Hotel.

[REDACTED] further explained the loan to FACTOR and stated that only two of the six million would actually be used for construction purposes and the remaining four million would be used by FACTOR to clear the present indebtedness of the Stardust. The Desert Inn group have an option to purchase the Stardust Hotel, however, this option cannot be exercised until six months after the new addition is completed. [REDACTED] explained that the reason for the delay in exercising the option was for tax reasons.

67C Informant advised on 3/28/63 that as [REDACTED] for the Desert Inn Hotel [REDACTED] has instructed hotel personnel to cooperate with IRS and the FBI where records of guests are requested. However, he will not allow "fishing expeditions" and he will not permit the owners to answer questions regarding their own personal activities.

Informant advised on 3/29/63 that NOE DALITZ returned to Las Vegas on the previous day after being out of the city for approximately one and one-half months. During DALITZ's absence he spent most of the time in the south of France, but also visited Spain and Acapulco, Mexico. This was primarily a pleasure trip for DALITZ.

Informant furnished no pertinent information on 3/30 - 31/63.

Informant advised on 4/1/63 that on this date DALITZ and [REDACTED] were contacted by an individual believed to be [REDACTED] Nevada. [REDACTED] indicated he had a piece of property at Lake Tahoe in northern Nevada and he attempted to interest DALITZ [REDACTED] in putting a hotel on this property. Considerable building is being done in this area both by the owners of the Sahara Hotel in Las Vegas and others. DALITZ indicated he did not want to expand to Lake Tahoe at this time and get in a price war with DEL WEBB, who

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is building the hotel for the Sahara Corporation and other hotel owners in that area. DALITZ expressed some concern over the extensive building being undertaken by [redacted] in Nevada for the Sahara Hotel group. He pointed out that WEBB had been the high bidder on a piece of property formerly owned by [redacted]. [redacted] bid \$12,000,000.00 for this property in Las Vegas, which was 2,000,000 more than the bid by DALITZ and his associates. WEBB has indicated he intends to develop this property and tentative plans are to construct a golf course, hotel, office building, and apartments.

[redacted] also indicated to DALITZ that if DALITZ wanted to operate a casino at Lake Tahoe, that [redacted] would construct a hotel and lease the casino to DALITZ and his associates. The hotel would only have approximately 230 rooms and DALITZ is of the opinion this is not enough rooms to successfully support a casino.

b7C Informant furnished no pertinent information on 4/2/63.

Informant advised on 4/3/63 that on this date informant met with DALITZ, [redacted] and [redacted]. On the previous evening [redacted] evidently attended the late show at the Desert Inn with [redacted] and JOHN ROSELLI. ROSELLI is a Criminal Intelligence subject of the Los Angeles Office and [redacted] and close associate of ROSELLI. During the course of the evening [redacted] and according to DALITZ made a spectacle of himself in front of hotel guests and hotel employees. Both DALITZ and [redacted] chastised him severely and told him plainly that he had the reputation of [redacted]. They pointed out to him that when [redacted]

[redacted] DALITZ stated that when they took him into the organization, [redacted] was discussed at length but they had agreed that he could probably overcome this habit. Both DALITZ and [redacted] instructed [redacted] that under no circumstances was he to become involved in any way with [redacted] or ROSELLI. It was pointed out to him that they are both "nothing but trouble" and that they are looking for an opportunity to embarrass the hotel and to embarrass [redacted]. DALITZ stated that they wanted [redacted] to be respected around the hotel and not to be known [redacted]

[redacted] was also instructed that he should be more discreet in the language he uses and not to refer to guests or anyone else by such names as [redacted] stated

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that he didn't realize he was being offensive in any way and he had been very careful about [REDACTED]. He recalled that while having dinner with ROSELLI he had ordered "Dago Red". ROSELLI took offense at this statement very much to [REDACTED] surprise. DALITZ made the observation that he had been trying for years to keep "these people" out of here and if it hadn't been for him they would have taken the place over long ago. He said that the less you have to do with them the better you are. They would like nothing better than to create a disturbance and cause an incident. DALITZ stated that he stays away from ROSELLI "like a plague" because he realizes he is nothing but trouble.

Subsequently [REDACTED] inquired of [REDACTED] outside the presence of DALITZ as to what would happen if something should happen to DALITZ. [REDACTED] reply was that "GEORGIE" (probably GEORGE GORDON) is being groomed with that possibility in mind, but he will never "be the man that NOE is".

67C [REDACTED] also advised that JOHNNY DREW at the Stardust had been drinking excessively and he had also been called in and told that if he didn't straighten out, he was finished. He stated that if there was ever any question in DREW's mind, this no longer exists because "we scared the hell out of him".

[REDACTED] advised further that he is of the opinion that [REDACTED] was going to "blow this whole place out of the water someday". Reason for this is that [REDACTED] is dealing in cash and he is paying entertainers \$5,000 or \$10,000.00 under the table every time they come into his place. [REDACTED] stated that [REDACTED] (not further identified) had contacted [REDACTED] Desert Inn Hotel.

[REDACTED] sent word that [REDACTED] nationally known entertainer, "wanted some cash". [REDACTED] sent word back to [REDACTED] that he does not deal in cash, never has and never will, and if [REDACTED] did not want to come in "above board" like everybody else, then he could "pull out of his contract".

Informant furnished no pertinent information on 4/4/63.

Informant advised on 4/5/63 that [REDACTED] had received a letter for DALITZ from the local office of IRS. IRS is returning DALITZ's 1962 tax return and under the provisions

LV 92-461

of the Internal Revenue Code they are increasing his taxable income by over \$1,000,000.00. This includes an increase of \$1,364,649.49 resulting from the taxable distribution to DALITZ in 1959 which involved the sale and lease back of the Desert Inn Hotel. They also increased his taxable income by \$4,399.33 which was a loss claimed by him as a partner of A and N Enterprise, and they disallowed an \$8,597.00 loss claimed by DALITZ in connection with the operation of his farm in Gunlock, Utah. IRS claimed this was not operated for a profit but was a personal expense. Several other items were also disallowed by IRS.

b7C [redacted] consulted with [redacted] regarding the above matter and [redacted] expressed the opinion that both WILBUR CLARK's and DALITZ's records were in good shape and there was nothing to worry about from a criminal standpoint.

Informant furnished no pertinent information on 4/6 - 7/63.

DECODED COPY

Tolson _____
 Belmont _____
 Mohr _____
 Casper _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

☐ Radio

☒ Teletype

URGENT 4-25-63 11:20 AM JIS
 TO DIRECTOR AND SAC NEW YORK
 FROM SAC LAS VEGAS 251850

MORRIS BARNEY BALITZ, AR. OO: LV.

NEW YORK IDENTIFY CONTACTS AND ATTEMPT TO DETERMINE REASON FOR NEW YORK VISIT.

RECEIVED: 2:32 PM MGR

EX-120

REC-19

13 APR 26 1963

RELAYED TO NEW YORK

54 MAY 28 1963

F B I

Date: 4/29/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (92-3068)

FROM: SAC, LAS VEGAS (92-461) P

MORRIS BARNEY DALITZ, aka
AR
OO: Las Vegas

SUMMARY

The following information was furnished by [REDACTED] on the dates indicated:

Informant advised on 4/8/63 that on this date, [REDACTED] of the Desert Inn Hotel, was at the hotel where he met previously with JOHN DREW, who is an executive of the Stardust Hotel and an alleged representative of SAMUEL GIANCANA, head of Chicago element.

Information from [REDACTED] if utilized, should be carefully paraphrased in order to further protect the identity of this source.

- 3 - Bureau (R.M.)
1 - Chicago (Info.) (R.M.)
1 - Los Angeles (Info.) (R.M.)
10 - Las Vegas (1 - 92-461)
 (1 - 92-461 sub 1)
 (1 - 162-10 GEORGE GORDON)
 (1 - 92-493 RUBY KOLOD)
 (1 - 92-363 WILBUR CLARK)
 (1 - [REDACTED])
 (1 - 92-21 JOHN DREW)
 (1 - [REDACTED])
 (1 - 92-707 DESERT INN HOTEL)
 (1 - 92-706 STARDUST HOTEL)

RBT:bar
(15)

REC-13

92-3068-

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MAY 3 1963

54 MAY 9 1963

Approved: [Signature]

Sent

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LV 92-461

[REDACTED] Desert Inn and Stardust Hotels, outlined various complaints which have come to his attention in connection with the operation of Stardust Hotel. These complaints were passed on to DREW who indicated he was in agreement with most of the suggestions and indicated he would attempt to make the necessary changes in hotel administration.

67c The conversation then turned to "racket" operations in the Los Angeles and San Diego areas. [REDACTED] made the observation that the racket boys had come to him in San Diego on various occasions and he had kicked them out of the office. He stated he is of the opinion there is no "juice" in San Diego; however, this is probably not entirely true of the Los Angeles area. He stated that it has been his observation that the local Police Departments in Las Vegas are efficiently operating with very little graft or corruption.

[REDACTED] subsequently contacted [REDACTED] in Los Angeles, California, and held a discussion with him regarding a [REDACTED] the financing for the new house presently being constructed by DALITZ in Acapulco, Mexico. DALITZ gave the funds to [REDACTED]

[REDACTED] DALITZ has been attempting to contact [REDACTED] since this occurred in order to persuade him to make the check good. [REDACTED] has been avoiding DALITZ and has not accepted his telephone calls.

[REDACTED] informed the informant he was going to contact a [REDACTED] and have DALITZ put some pressure on [REDACTED]. If this is unsuccessful, he is going to bring suite against [REDACTED]

He has advised that the reason he has avoided DALITZ and has not fulfilled the terms of his agreement is that he is frightened because of the investigations which are being conducted in connection with DALITZ's activities.

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LV 92-461

he called [REDACTED] and checked on this person's background. He determined the man had been [REDACTED]

[REDACTED] A man came back to see DALITZ at which time he advised him he was not interested in the deal. DALITZ is concerned, however, that this man might be dangerous and if he has the nerve to try to extort \$10,000 that he might try anything.

b7C
Representatives from the Reinsurance Investment Corporation of New York City were at the Desert Inn Hotel where they met with [REDACTED] a business associate of DALITZ, and other individuals unknown to informant. A company known as the National Life Insurance Company of Nevada is being incorporated in the state of Nevada by the above group and this company will be affiliated with the New York company. An application has been prepared and will be submitted within the next few days to the Nevada Insurance Commissioner for approval. The company will be capitalized originally for \$200,000. A home office will be constructed in Las Vegas, Nevada, and the company will write various types of insurance. The policies they will write have already been approved.

Informant advised on 4/9/63 that on this date [REDACTED] and [REDACTED] met with the informant at the Desert Inn Hotel. They discussed the new insurance company they intended to organize and indicated the owners of the Desert Inn Hotel would have to come to some kind of agreement as to how they would distribute their future insurance business.

RUBY KOLOD, a hotel executive, is also the major stock holder in a Las Vegas insurance agency, and they feel they must give him a portion of the business. [REDACTED] stated that the hotel's business should be divided up and that a share should also be given to [REDACTED]

[REDACTED] stated that financing was almost complete for the construction of a new hotel in Las Vegas to be known as the Holiday Inn. Tentative plans are to construct a 1,000 room hotel which will be located directly south of the New Frontier Hotel. [REDACTED] BENNICK, both of whom have been

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indirectly or directly connected with various gambling enterprises in Nevada for several years and several other unnamed individuals are involved in this new promotion. This hotel will be constructed by the Holiday Inn chain and the casino will be leased to the group of local operators.

In order to protect themselves, it was also suggested that the owners of the Desert Inn and Stardust Hotels purchase the land directly across the street from the Stardust Hotel. This would preclude some other group from constructing a competitive hotel in this location. This land can be purchased for approximately \$2,000,000; however, it would have to be a cash deal.

Informant furnished no pertinent information 4/10, 11, 12, 13, 14, 15, 16/63.

Informant advised on 4/17/63 that on this date DALITZ contacted [REDACTED] home in Acapulco is still not completed; the indications are it will not be ready for occupancy for approximately 2 months. [REDACTED] after considerable delay, [REDACTED]

67x DALITZ instructed [REDACTED] to get after the contractors and don't let up until they finish the house. He stated that they are now in big money and if they do not get going on it, it may cost them 30 to \$40,000 more to complete the home. DALITZ advised he did not want to go to Acapulco at the present time and for [REDACTED] to do what she could to straighten out the mess. He was again extremely critical of [REDACTED] and stated that the latest story he has made up is that he was taken to BOBBY KENNEDY's Office where KENNEDY interviewed him regarding DALITZ. [REDACTED] has stated that he was threatened by the FBI and was told that they would put two bullets through his head if he did not cooperate. DALITZ stated that he [REDACTED] has this story all mixed up, because it isn't the FBI he has to worry about, it is himself if he does not make the bad checks good.

[REDACTED] and DALITZ were later joined at the hotel by [REDACTED]

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The Desert Inn contributed land directly adjacent to the hotel for the construction of a church and the other major hotels agreed to donate a sum of money each until the church was paid for. The church representative advised that they now needed an extra \$15,000 to construct a parking lot and this money was solicited from the Desert Inn. [REDACTED] stated that [REDACTED] would not go along with the contribution, however, DALITZ declined to commit himself until he had personally inspected the church.

Informant furnished no pertinent information on 4/19, 20, 22/63.

b7c Informant advised on 4/22/63 that on this date, TOM MC GINTY, one of the principal owners of the Desert Inn Hotel who resides in Miami, Florida, was at the Desert Inn where he met with [REDACTED] and two other individuals unknown to the informant, one of whom is probably MC GINTY's attorney. The group is interested in purchasing 80% of the stock of an oil company located near Denver, Colorado. This is being purchased from a [REDACTED] (phonetic) who is from [REDACTED]. MC GINTY made arrangements for himself and his attorney to fly to Denver on the following day where they will meet with [REDACTED] and with SAM GARFIELD, a promoter from Claire, Michigan. MC GINTY desires to have GARFIELD sit in on negotiations since GARFIELD is familiar with the oil business.

Informant advised on 4/23/63 that on this date [REDACTED] and [REDACTED] for the Desert Inn Hotel, met at the hotel. [REDACTED] stated WILBUR CLARK's tax returns were being checked in detail by the Internal Revenue Service. IRS is conducting a complete investigation of his returns. [REDACTED] also advised in the presence of the informant that "there is a lot of intrigue going on around here." [REDACTED] agreed with [REDACTED] and stated that "there is an awfully lot going on that neither of us know anything about." [REDACTED] mentioned this to DALITZ and DALITZ's only comment was, "yeah, isn't it fun."

Informant advised on 4/24/63 that on this date, [REDACTED] all met with [REDACTED]

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the informant at the Desert Inn Hotel. [REDACTED] advised the others present that JOHN DREW was in trouble again with DALITZ. DREW was involved a few days ago in a poker game in which he lost \$150,000 of the Stardust's money. When DALITZ found out about this, he was furious and threatened to get rid of DREW completely and forbidding him from having anything to do with the Stardust Hotel. DREW immediately paid back \$55,000, but still owes the hotel the balance.

b7C [REDACTED] also related to [REDACTED] and [REDACTED] that the hotel was being harrassed incessantly by IRS and FBI Agents. FBI Agents have been interviewing many of the hotel's high rollers all around the country and these reports have been filtering back to the hotel. This activity was described by [REDACTED] as being "legalized blackmail," since none of these people will probably ever return to the hotel again. [REDACTED] has issued instructions throughout the hotel that if any questions are asked by IRS or FBI regarding high rollers, customers of the hotel, or IOU's, that they are not to answer any questions, but are to refer the inquiry to him.

During the last meeting of the hotel association, this matter was discussed and the owners of the Sands and Flamingo Hotels in Las Vegas advised that many of their customers were also being harrassed. The other major hotels in Las Vegas indicated that to their knowledge, their customers had not been contacted. [REDACTED] inquired of the group if any of them knew how many Special Agents of the FBI there were in Las Vegas at the present time. None of them had an answer to this question, but [REDACTED] stated that there "must be a hell of a lot of them because they are all over the place." [REDACTED] stated a lot of top Agents had left the Government service because they did not like the type of investigation they were required to conduct. They were required to handle some investigations that were almost all muscle. The group attributed this harrassment in part to the fact that DALITZ is a long time friend of JIMMY HOFFA. The Attorney General is out to get HOFFA, one way or another, and anyone associated with him automatically comes under intensive investigation.

LV 92-461

b7c [redacted] stated that there had been a Grand Jury going in Los Angeles for several months regarding DOC STACHER and the Government had spent thousands of dollars and had not come up with anything. [redacted] inquired about the activities of [redacted] Chicago hoodlum. [redacted] stated that [redacted] as well as several others at the [redacted] time, and he does not have a good reputation in Las Vegas. He is in the "black book" compiled by the Nevada Gaming Control Board and is persona non grata in Las Vegas casinos. When [redacted] was in Las Vegas several months ago, DALITZ ordered him removed from the lounge at the Desert Inn Hotel. It was as a consequence of this incident, that [redacted] cited an example of [redacted] character and background. [redacted]

FBI

Date: 5/10/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-3068) JUNE
SAC, DETROIT

FROM : SAC, LAS VEGAS (92-461 Sub 1)

SUBJECT: MORRIS BARNEY DALITZ, aka
AR
OO: LAS VEGAS

[redacted] advised on 5/7/63 that on this date subject and [redacted] met with the informant at the Desert Inn Hotel, Las Vegas, Nevada. Their conversation was as follows:

DALITZ: [redacted] we got some friends in Detroit. This young [redacted] fellow, I want you to meet him [redacted] His name is [redacted]. His father was an old friend of mine during the old days. As a result of the old days he had a lot of bad publicity. He hasn't done anything wrong. He is a very wealthy man. He owns licenses in Detroit. He's one of the wealthiest men in Detroit but he is on that list (Attorney General's list), but his son went through college and his son has never been involved or arrested or anything. His son is the [redacted]

[redacted] this is not a small operation.

Information from [redacted] if utilized, should be carefully paraphrased in order to further protect the identity of this source.

3-Bureau (R.M.)
 3-Detroit (R.M.)
 (2 - [redacted])
 (1 - [redacted])
 5-Las Vegas (1 - 92-461 Sub 1)
 (1 - [redacted])
 (1 - [redacted])
 (1 - [redacted])
 (1 - [redacted])
 (1 - [redacted])

RBT:jmc

EX-116

REC-2

92-3068-

391

16
 25 MAY 13 1963

Approved: [redacted]
 Special Agent in Charge

6 MAY 20 1963

Sent _____ M Per _____

LV 92-461 Sub 1

This kid took it and put it over. He is going to divest himself of the race track if he is able to get a license here. He has a deal - now this kid has loads of backing - [REDACTED]. I wouldn't use his name yet because we are not at liberty to, but he and people like himself are ready to sign notes and do anything. They have a construction firm. Now they are trying to make a deal to buy the Frontier (New Frontier Hotel located directly across the street from the Desert Inn Hotel, Las Vegas, Nevada). Now it is good for us to help them. They want to add 500 rooms. That place is a crumb joint now.

b7C
It is up to us to eliminate that (Obscene) [REDACTED] New Frontier Hotel). So we are plugging for this. Now here's what I've done. They're working in this direction - through [REDACTED] (Phonetic), who is the big lender. [REDACTED] is in arrears with his payments so they are going on the foreclosure angle to take out [REDACTED]. They are all set to do this. Then along comes [REDACTED] and he said [REDACTED] had sent him over to you. He says you can acquire the whole thing and he wants to know would you be interested. He wanted to know if we were interested. We told him we weren't but maybe some of our people might consider - might be interested and would he mind getting something in writing - a deal. So now I'm waiting for this.

Now I took [REDACTED] over to MAJOR RIDDLE (President, Dunes Hotel and close associate of Governor [REDACTED] SAWYER of Nevada). I said look this is an eyesore overthere. We would welcome the interest of another group. We would like to see rooms built there. It's the last weak thing on the Strip. He agreed with us and I told him about [REDACTED] and [REDACTED]. I said the State of Michigan didn't hold [REDACTED] - they gave him a very important racing license. He looked at me and said, "Well I won't hold it either". We conditioned him pretty good. Now [REDACTED] is going to represent - [REDACTED] very close to [REDACTED]. I fixed that up. [REDACTED] introduced me to [REDACTED] and [REDACTED] is going to represent [REDACTED].

LV 92-461 Sub 1

[REDACTED] (Phonetic) the big
builders - do you know that firm [REDACTED]
[REDACTED]

DALITZ: They are the ones who - - - for the money and
everything and the construction.

They're going to try sounding out the Commission
(Nevada Gaming Commission) and the Governor. My work is done.
I mean we really did a job - it was tough. That (Obscene)
RIDDLE didn't want to help. Now I told him [REDACTED] if he
needs any advise, to call you. I want him to feel he has
somebody to call on, somebody who will conscientiously look
into his problem, and see if - - -.

b7C [REDACTED]
DALITZ: [REDACTED] and all of these other ramifications.

Now I also have it fixed so he can call RIDDLE.
So this kid is covered pretty good. Nobody did this for us
when we came out here.

[REDACTED]
DALITZ: I'll have you meet him this morning. I told him
when you go back, you tell them what we have done.
We think it is a hell of a job and we think you might make it.
One more thing, I told him if they asked about operators, say
look I am not going to bring any people in from out of town if
I can help it. I will submit a list of people to you and I'm
going to recruit them. I have verbal commitments from people
but I am not at liberty to disclose their names at this time
because it may endanger their present jobs. But I will present
a list of any people - not only that but stockholders and
nonstockholders and I will present my organization to you
and anybody on the list you don't like just draw a line through
them and I'll replace him.

[REDACTED]
DALITZ: Well anyway you have that story.

LV 92-461 Sub 1

[REDACTED]

DALITZ: How do you like that little piece of work? I made a trip to New York on this you know. (DALITZ is known to have been in New York for a brief period approximately two weeks ago.)

[REDACTED]

67< DALITZ: Yeah. Now this is the way that stands, and let me tell you another thing, you know what might (Obscene) it up - the old man's reputation.

The above is self-explanatory. [REDACTED] who has been in Las Vegas for the past several days with [REDACTED] and others is attempting to secure a license to operate the New Frontier Hotel, which this group contemplates purchasing.

Detroit is requested to furnish Las Vegas any available information regarding [REDACTED]

L Informant also advised on this date that an [REDACTED] from Las Vegas contacted DALITZ regarding a deposition he was to furnish in connection with a civil action in Detroit, Michigan. He agreed reluctantly to furnish the deposition but he advised that he was going to instruct [REDACTED] to turn over all records relating to the matter but beyond that he will refuse to answer any questions. He stated "nobody is going to shake me down".

Informant advised DALITZ departed for Detroit late on 5/7/63 and he indicated he was going from there to Acapulco, Mexico, where he will remain "for a few days".

b2 Information regarding the meeting between DALITZ and MAJOR RIDDLE has been made available by [REDACTED] and will be furnished to the Bureau and Detroit by separate airtel.

FBI

Date: 5/9/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (92-3068)
SACS, LOS ANGELES
MIAMI
CHICAGO

FROM: SAC, LAS VEGAS (92-461)

SUBJECT: MORRIS BARNEY DALITZ, aka
AR
OO: Las Vegas

WEEKLY SUMMARY

The following information was furnished by [redacted] on the dates indicated:

Information from [redacted] if utilized, should be carefully paraphrased in order to further protect the identity of this source.

- 3 - Bureau (R.F.)
2 - Los Angeles (R.M.) (INFO.)
(1 - [redacted])
(1 - [redacted])
1 - New York (R.M.)
(ROY COHN, ET AL, 58-1232)
3 - Miami (R.M.)
(1 - GEORGE GORDON)
(1 - MORRIS KLEINMAN)
(1 - [redacted])
1 - [redacted] (PHILIP ALDERISO,
94-314)
2 - Chicago
(1 - [redacted])
(1 - [redacted] 92-415)
14 - Las Vegas (92-461)

- 1 - 92-461 sub 1
1 - 92-9 MORRIS KLEINMAN
1 - 92-493 RUBY KOLOD
1 - 92-467 JOHN ROSKILL
1 - 167-10 GEORGE GORDON
1 - [redacted]
1 - 92-21 JOHN DREY
1 - [redacted]
1 - 92-363 WILBUR CLAY
1 - 92-378 PHILIP ALDERISO
1 - 58-8 ROY COHN, ET AL
1 - [redacted]
1 - [redacted]
1 - 92-701 DESERT INN HOTEL

REC-20

25 MAY 13 1963

Approved: [signature]

Special Agent in Charge

Sent

M

Per [signature]

EX-117

55 MAY 22 1963

LV 92-461

Informant advised on 4/25/63 that on this date [redacted] the Desert Inn Hotel, was at the Desert Inn where he met with several individuals, including [redacted]

[redacted] the Desert Inn Hotel. [redacted] made statement that in the event anything should happen to DALITZ that GEORGE GORDON will move in and take his place. GORDON is being "groomed" for this position at present time. There would be no major turn over of personnel at the Desert Inn or Stardust Hotels if DALITZ moves out or for some other reason is unable to continue with his present executive duties.

b7c [redacted] has contacted [redacted] on several occasions and requested he be given access to approximately 200 credit cards maintained by the Desert Inn on "high rollers." [redacted] has hesitated to furnish IRS Agents these credit cards because of a pending law suit, which is presently before the Ninth Circuit Court regarding this issue. [redacted] feels that if they gave [redacted] the 200 credit cards they will weaken their case and in effect open the door for further requests. [redacted] and other hotel executives expressed considerable concern over the fact that many of their big-time players throughout the country have recently been interviewed by FBI Agents. Reports of these interviews have filtered back to the Desert Inn Hotel and they feel they are losing many of their best customers.

IRS Agents have also made numerous requests for information at the Bank of Las Vegas, Las Vegas, Nevada. [redacted] has furnished them some information but in other cases has required a subpoena.

[redacted] contacted [redacted] to determine what the bank policy is and [redacted] stated that he had done everything possible to protect individuals in the gaming industry. He stated that a large percentage of the bank's business has been with people in the gaming industry and he has furnished information only when absolutely necessary. [redacted] told [redacted] that in the future he will require a subpoena in all instances.

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Informant furnished no pertinent information on 4/26/63.

Informant advised on 4/27/63 that on the previous day, DALITZ was in Acapulco, Mexico, and anticipated returning to Las Vegas on about 5/2/63.

Informant furnished no pertinent information on 4/28/63 and 4/29/63.

b7c Informant advised on 4/30/63 that on this date, [redacted] again met at the Desert Inn Hotel with [redacted] and [redacted] hotel executives. They discussed further the request by IRS Agents and [redacted] speculated that these Agents are of the opinion that "high rollers" who visit the hotel and leave owing money, may subsequently pay this money to an individual and it is never shown on the hotel books. [redacted] is of the opinion that IRS want the 200 credit cards for the same reason. These Agents will then contact these people and inquire of them if they have ever paid off a debt in cash or by check, and if by check, whether it is paid to the hotel directly or to an official of the hotel.

[redacted] inquired of [redacted] if they had ever had the Desert Inn executive offices checked for microphones. He stated he keeps hearing a little squeak that sounds like a mike. [redacted] explained that they had just had the offices checked a month ago and the man said it was safe.

At this time, they also said his apartment had been checked and also the Stardust Hotel and the homes of the hotel executives.

Informant advised on 5/1/63 that on this date, [redacted] Los Angeles accountant, [redacted] RUBY KOLOD, hotel executive, [redacted] WILBUR CLARK, President of the Desert Inn Hotel, MORRIS [redacted] all met at the Desert Inn Hotel.

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[redacted] explained to them the situation which had arisen regarding the request for credit records for IRS. [redacted] in San Francisco on their appeal case that if Agents wanted a record of a named individual that the hotel would be willing to make this information available; however, in order to protect their customers, they refused to give blanket authority to IRS Agents to review all of their credit cards. [redacted] stated that IRS now has a list of 200 names and they want to see the cards on these individuals. He believes they are going too far on this request and it may jeopardize their case, which is now on appeal.

b7C IRS has told [redacted] that if he does not make the cards available they will interview all of these people in order to secure the desired information. IRS has refused to make a list of these names available in advance and the group speculated that they probably secured the list from the FBI.

[redacted] expressed the opinion that [redacted] of the IRS is not on the level and that he is merely trying to get his foot in the door. He feels that the hotel has a confidential relationship with the customer and the information should definitely not be made available. He stated by making the cards available and letting IRS interview some of these people, it will prove the hotel's position that markers are being properly recorded in hotel records. He stated that if you do not cooperate, these people will take a shotgun approach which will be more damaging than if they talked to only a limited number of people.

KOLOD is of the opinion that investigative agencies are out to harm the hotel and hotel owners and they should not be assisted in their investigations in any respect. He made the statement that the "jails are full of people who cooperate with these guys." After considerable discussion, it was agreed by the group present that these records would not be made available and [redacted] stated he would contact [redacted] and advise him of his decision.

Informant advised on 5/2/63 that according to [redacted] the owners of the Desert Inn have completed

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negotiations to purchase the land directly across the street from the Stardust Hotel. Purchase price of this property will be approximately \$2,000,000. [REDACTED] subsequently met with [REDACTED] at which time he advised [REDACTED] that [REDACTED] had been accosted at the Desert Inn by [REDACTED] and [REDACTED], and the FBI is now conducting an investigation.

[REDACTED] advised [REDACTED] that a few minutes ago he had received a telephone call from [REDACTED] (SA, Las Vegas Office) who inquired of [REDACTED]. [REDACTED] stated he hedged to begin with when this inquiry was made because he did not know the purpose of the contact. He learned during the conversation that the reason for the call was because KOLOD had been contacted in connection with the [REDACTED] investigation and he had refused to answer any questions stating he had been advised by his attorney that he was not to talk to Agents. According to [REDACTED] this Agent told him that KOLOD was his usual "obnoxious, nasty, uncooperative self" and had refused to cooperate in any respect even though the investigation did not involve KOLOD personally or the Desert Inn Hotel. This Agent also reportedly stated that KOLOD had been brought up as a hoodlum and had never learned how to act any other way. It was also mentioned during the conversation of KOLOD associating with an individual unknown to [REDACTED] whose name he could not recall. He stated it was not some ROSELLI but it was some other name. [REDACTED] said there was something about ROSELLI that he does not understand. He has some connection with the owners of the hotel which [REDACTED] has not been able to figure out to date.

[REDACTED] is concerned now that in view of the uncooperative attitude of KOLOD that they may now press charges against him for misprison of a felony or obstruction of justice.

He stated the [REDACTED] matter is a Federal offense and Federal authorities have indicated they intended to prosecute it to the limit. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] agreed that such a condition does exist, but that [REDACTED] must realize that many of these people before they came to Las Vegas were bootleggers and were not exactly high ranking members of society or members of the country club set. [REDACTED] stated that KOLOD has complete contempt for anything associated with a badge and this in the end will get him in trouble.

b7C

DALITZ subsequently joined [REDACTED] and [REDACTED] and [REDACTED] related the above incident to DALITZ. DALITZ identified the individual who had been hanging around KOLOD for the past few days as Milwaukee Phil (PHIL ALDERISO). DALITZ described ALDERISO as "a real bad guy" and he could not understand why KOLOD had to be with him continually during the time he is in Las Vegas. DALITZ stated that he could understand KOLOD's position and that he does not believe KOLOD is smart enough to talk to these guys and at the same time protect his own interest.

b7C
b7D

DALITZ stated that he is friendly to them and at times answers their questions; however, he understands his position and feels he will not jeopardize himself [REDACTED]. In the particular instance regarding [REDACTED] DALITZ stated that he is in favor of sitting back and "letting the ax fall where it may." DALITZ stated that for the past 10 years he has been trying to play both sides. Any time anyone has done him a favor they have always expected a favor in return and this is the way he has had to operate.

At the present time, however, things are getting steadily worse. WILBUR CLARK goes around like nothing had happened, SAM TUCKER is at peace with the world, and RUBY KOLOD

LV 92-461

is seeing shadows behind every post. [REDACTED] expressed the view that CLARK is "almost a stupid man at the present time."

DALITZ said that they have a case on JOHN DREW in the [REDACTED] matter. He said [REDACTED] had signed a statement that DREW asked him to drop the case and forget the whole thing, which is obstructing justice. Their case on KOLOD may be weaker because they are going to have difficulty corroborating testimony of [REDACTED]. DALITZ in whispered tones explained to [REDACTED] what the facts were in the [REDACTED] matter. He stated that "these two creeps" contacted [REDACTED] and then followed him to Las Vegas.

b7C
When [REDACTED] got to Las Vegas he was set up at the Desert Inn Hotel by JOHNNY DREW and since DREW is supposed to be his friend he went to DREW and asked him what he should do about [REDACTED]. DREW told [REDACTED] that he had tried unsuccessfully to persuade [REDACTED] to forget the whole matter.

DALITZ expressed the view that DREW was probably involved from the inception and invited [REDACTED] to stay at the Desert Inn Hotel in order to embarrass the hotel. [REDACTED] DREW and [REDACTED] were all involved in the recent poker game in which DREW lost \$150,000 of Stardust money. He paid back \$55,000 of this, but still owes the hotel \$95,000. This incident caused considerable friction between DREW and DALITZ. DALITZ reportedly advised him that if he did not pay the money back, he was finished at the Stardust.

DALITZ explained further that [REDACTED] [REDACTED] to collect the money in Las Vegas. He stated he did not believe they intended to use force but the thing got out of hand and [REDACTED] reacted contrary to expectations.

He came running out of the room calling for a security guard and yelling for someone to call the FBI. KOLOD got hold of [REDACTED] and tried to settle the thing himself. DALITZ stated that the hotel tries to settle all squawks and beefs without turning them over to authorities and that is what KOLOD attempted to do in this case.

LV 92-461

[REDACTED] stated he had always wondered about JOHN DREW and for him to let [REDACTED] (phonetic) [REDACTED] of Stardust money was "the most terrible thing he had ever seen around here." DALITZ remarked that he had broken up that poker game and had given DREW an ultimatum at that time. [REDACTED] stated there was more intrigue in this case than any dime novel he had ever read; and that if this was written in the form of a book, it would be rejected because it is too fantastic.

DALITZ stated that [REDACTED] is walking a tightrope.

DALITZ said that in [REDACTED]

b7C
b7D
[REDACTED] DALITZ indicated he has no use for [REDACTED] whatsoever, but he still does not believe [REDACTED]. He stated that he just hoped that one way or another it would work itself out.

Informant furnished no pertinent information on 5/3/63.

Informant advised on 5/5/63 that [REDACTED] and the other hotel executives continued their discussion of the [REDACTED]

[REDACTED] advised an unknown individual that [REDACTED] was claiming that [REDACTED] had held out on him on some deal and he expressed the view that it may have related

LV 92-461

to the recent poker game in which DREW lost \$150,000 of Stardust money.

Informant furnished no pertinent information on 5/5/63.

F B I

Date: 5/15/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-3068)
 FROM : SAC, LAS VEGAS (92-461) (P)
 SUBJECT: MORRIS BARNEY DALITZ, aka
 AR
 OO: LAS VEGAS

WEEKLY SUMMARY

The following information was furnished by
 on the dates indicated:

Informant advised on 5/6/63, that on this date DALITZ and MORRIS KLEINMAN, one of the principal owners of the Desert Inn Hotel and a Miami subject, met with the informant and [REDACTED] who is a long-time associate of the owners of the Desert Inn Hotel. [REDACTED] with KLEINMAN many of his financial holdings throughout the country and explained to KLEINMAN the status of several of these properties. He stated they had sold the Ice Capades stock in Cleveland and KLEINMAN's share would amount to \$323,000.00. His original investment was \$3,000.00. KLEINMAN, DALITZ, and others also have an interest in property in Beverly Hills, Kentucky. There

Information from [REDACTED] if utilized, should be carefully paraphrased in order to further protect the identity of this source.

3-Bureau (R.M.)
 1-Chicago (Info) (R.M.)
 2-Cleveland (Info) (R.M.)

1-Detroit (Info) (R.M.)
 1-Miami (Info) (R.M.)
 (MORRIS KLEINMAN)

5-Las Vegas (1 - 92-461) (1 - 92-493 RUBY KOLOD)
 (1 - 162-9 MORRIS KLEINMAN) (1 - 92-707 Desert Inn Hotel)

RBT:jmc
 (13)

62 MAY 23 1963

Sent _____ M Per _____

Special Agent in Charge

LV 92-451

is apparently a gambling casino there which has been closed down but is still being maintained by a skeleton force. It is costing approximately \$1,000.00 a month to maintain this property which the group intend to dispose of in the near future. KLEINMAN recently purchased real estate in New York State for which he paid \$100,000.00 down. [REDACTED] reminded him that within the next thirty days he had to come up with an additional \$400,000.00 or he would lose his original \$100,000.00. KLEINMAN replied that he did not realize he had to pay the \$400,000.00 but rather he understood they were going to sell off part of the property to make this payment. [REDACTED] advised him this was not so since they have only had the property a little over thirty days and anything they sold in less than six months would be regular income and they would not be able to take a capital gain. [REDACTED] and KLEINMAN agreed that they should get together either in New York or Cleveland with [REDACTED] (LNU) and find out the story on this particular piece of property.

[REDACTED] pointed out to KLEINMAN that his investments in real estate deals had come under the close scrutiny of IRS. IRS had determined that in 1957, KLEINMAN deposited \$110,000.00 in a Las Vegas bank (probably the Bank of Las Vegas) under the fictitious name of MORRIS MILLER. This deposit was in cash. Interest has been paid on this deposit over the years and KLEINMAN has never declared this interest on his income tax returns. IRS is interested in determining where KLEINMAN secured the \$110,000.00 cash.

KLEINMAN pointed out to DALITZ and [REDACTED] that prior to 1957 he had no bank accounts. He was in the gambling business and wanted to protect himself against possible law suits. However, during this period he was involved in several big real estate deals and in fact sold three buildings for approximately \$1,000,000.00 each. The checks for these sales would be made out to either [REDACTED] or [REDACTED] who would cash the checks and give the cash to KLEINMAN. He reminded [REDACTED] that [REDACTED] was aware of each of these transactions and that he paid the capital gains tax on them at the time. He explained that this was the reason he had the cash available to make bank deposits subsequent to 1957. KLEINMAN feels that he has paid an adequate tax on the money he has made over the years.

[REDACTED] stated that they are conducting investigations all over the country and apparently the Justice Department wants the full story on everyone associated with the Desert Inn Hotel.

LV 92-461

He also reminded KLEINMAN that Internal Revenue Service may rule he is in the real estate business because of his numerous real estate transactions and not allow him the capital gains on all of these deals.

[REDACTED] subsequently joined the others and stated they wanted to break ground on the addition at the Stardust Hotel as soon as possible. However, their loan from the Teamsters Pension Fund in Chicago has to be approved by Realty Research and because of a grand jury investigation now underway, all of the Pension Fund files have been subpoenaed. Consequently the lawyers for the Fund are afraid to make a move at this time. [REDACTED] attempted to contact [REDACTED] who is the [REDACTED] and determined he is now in the hospital. Realty Research is also dragging their feet and throwing up minor obstacles, which will probably delay the loan further. [REDACTED] stated that this is costing the hotel money since it is to their advantage to complete the addition as soon as possible.

b7C
Informant advised on 5/7/63, that on this date [REDACTED] DALITZ, GORDON, [REDACTED] and RUBY KOLOD all met together at the Desert Inn Hotel. They discussed the sale of their stock in the hotel to an investment group in New York City several years ago. This was a lease back arrangement and the stockholders were paid off in cash with DALITZ, SAM TUCKER, and KLEINMAN each receiving approximately \$1,367,000.00 and the other stockholders receiving lesser amounts. IRS has now sent them all a ninety-day letter and Internal Revenue is contending that this payment to DALITZ and his associates was actually a dividend and should have been subject to taxation as regular income. The results of this would be that the majority stockholders would have to pay approximately \$1,000,000.00 each in additional taxes. [REDACTED] will contact [REDACTED] for the hotel in Los Angeles, and also [REDACTED] and they together will work out an answer for IRS. As a precautionary measure [REDACTED] suggested to KLEINMAN that he secure a personal file cabinet at the Desert Inn Hotel and put his name on this file cabinet. He can then contend that the records in this cabinet are his personal records and not records of the corporation. [REDACTED] stated [REDACTED] did this in New York City and he was upheld by the court.

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Additional information furnished by informant on this date has previously been furnished to the Bureau by separate airtel.

b7c Informant advised on 5/8/63 that on this date [redacted] and others discussed further the matter of the ninety-day letter received from IRS. [redacted] stated he would meet with [redacted] in New York or Cleveland as soon as possible and attempt to resolve some of the problems. Since a petition must be filed before July 3, 1963, he will see [redacted] prior to that time.

Informant furnished no pertinent information on 5/9, 10, 11, 12, and 13/63.

FBI

Date: 5/24/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)

Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-3068)
SACS, ALBUQUERQUE
PHOENIX

FROM : SAC, LAS VEGAS (92-461) (P)

SUBJECT: MORRIS BARNEY DALITZ, aka
AR
OO: LAS VEGAS

[REDACTED] advised on 5/21/63 that on this date [REDACTED] the Desert Inn *NEW*
[REDACTED] was contacted telephonically by [REDACTED]
[REDACTED] and is reportedly connected
there with [REDACTED]
[REDACTED] advised [REDACTED]

[REDACTED] located in
Phoenix, Arizona. (This is probably the American Credit Bureau,
714 East Van Buren, Phoenix, Arizona, and [REDACTED] according to
previous information developed, reportedly has telephone number
[REDACTED]. According to information furnished
by [REDACTED] had contacted not only himself but his wife
and had used threatening, abusive, and obscene language.
He had threatened to turn the matter over to the FBI and to
the Police Department if [REDACTED]
[REDACTED]

Information from [REDACTED], if utilized, should be
carefully paraphrased in order to further protect the identity
of this source.

3-Bureau (R.M.)
2-Albuquerque (R.M.)
2-Phoenix (R.M.)
1-Miami (Info) (R.M.)
(GEORGE GORDON)
5-Las Vegas (1 - [REDACTED])
(1 - [REDACTED])
(1 - [REDACTED])

REB:jmc
(13)

Approved: [Signature]
Special Agent in Charge

Sent _____ M

Per [Signature]

92-3068-394
MAY 29 1963

(1 - 92-707 Desert Inn)
(1 - 92-706 Stardust)

(1 - 100-10 GEORGE GORDON)

[REDACTED] He told [REDACTED] that he had also been contacted by a security officer at the Stardust Hotel, who also placed a call to his wife and threatened her with arrest if payment was not made on this check.

[REDACTED] subsequently conversed with [REDACTED] and pointed out to him that the FBI would love to get their hands on something like this since they are presently interviewing hotel customers regarding collection practices.

b7C [REDACTED] inquired first of [REDACTED] as to whether the collection agency in Phoenix and an [REDACTED] did collection work for the Desert Inn and Stardust Hotels. [REDACTED] explained that they did and that they were a bonded, licensed agency. [REDACTED] instructed [REDACTED] to get in touch with [REDACTED] and his superior, who is reportedly named (FNU) [REDACTED], and have them return the check and if they are using the tactics reported, that their services are to be immediately discontinued. He explained to [REDACTED] that he did not want this man going to the FBI or the Police Department because "we have enough trouble with these people already".

[REDACTED] subsequently reported back to [REDACTED] and stated he had determined after talking to [REDACTED] in Phoenix that [REDACTED] is a "deadbeat" and that this same agency had also collected from him for obligations he had incurred at the Riviera Hotel. He stated this man has [REDACTED] and from the information [REDACTED] had developed, he had never been contacted by a security guard from the Stardust Hotel and that the collection representatives in Phoenix had not used abusive language or threatened [REDACTED] and it was [REDACTED] who stated he had already turned the matter over to the FBI. [REDACTED] stated he believed [REDACTED] was bluffing and that he had not reported the matter to authorities to date. He suggested that if this man calls in again, he be requested to make the check good and "we will call off the dogs". [REDACTED] expressed the opinion that this man will not go to the FBI because he passed a no account check written on an out of state bank, which is a Federal violation on his part.

[REDACTED] stated that the collection agency in Phoenix would only be handling the smaller claims since the majority of large casino losses are collected by GEORGE GORDON "or someone like him" and they are not turned over to collection agencies.

LV 92-461

ALBUQUERQUE OFFICE

AT SANTA FE, NEW MEXICO

1. Identify and furnish background information regarding [REDACTED]

2. If this individual voluntarily contacts the office at Santa Fe, he should be thoroughly interviewed along the lines set forth in Las Vegas airtel to the Bureau dated 1/23/63, captioned "Desert Inn Hotel, Las Vegas, Nevada, AR".

PHOENIX OFFICE

AT PHOENIX, ARIZONA

Identify and furnish available information regarding the American Credit Company [REDACTED] of this company, and (FNU) [REDACTED] who is reportedly the [REDACTED]

Consideration will be given to interviewing [REDACTED] and [REDACTED] at a later date, but it is not believed these individuals should be contacted at the present time since to do so may jeopardize informant.

FBI

Date: 5/24/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)

Via AIRTEL AIRMAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-3068)
FROM : SAC, LAS VEGAS (92-461) (P)
SUBJECT: MORRIS BARNEY DALITZ, aka
AR
OO: LAS VEGAS

WEEKLY AIRTEL SUMMARY

The following information was furnished by [redacted]
on the dates indicated:

Informant advised on 5/14/63, that on this date [redacted] Desert Inn Hotel, [redacted] and [redacted] Ohio. [redacted] and [redacted] agreed that they should get together within the next few weeks with [redacted] in either Cleveland, New York, Detroit, or Las Vegas, whichever is the most convenient, at which time they should work out some uniform action to be taken in connection with the mutual tax problems of individuals connected with the Desert Inn

Information from [redacted], if utilized, should be carefully paraphrased in order to further protect the identity of this source.

3-Bureau (R.M.)
3-Los Angeles
(1 - [redacted])
(1 - [redacted])
(1 - [redacted])
(1 - 92-113 JOHN ROSELLI)
2-Miami (1 - MORRIS KLEINMAN)
(1 - [redacted])
[redacted] (Info)
[redacted] (Info)
1-Chicago (Info)

12-Las Vegas (1 - 92-461)
(1-92-21 JOHN DREW)
(1-92-493 RUBY KOLOD)
(1-92-707 [redacted])
(1-92-467 [redacted])
(1-92-383 WILBUR CLARK)
(1-92-707 Desert Inn Hotel)
(1-92-706 Stardust Hotel)

REC-74

92-3068-395

51 JUN 6 1963

Approved:

Special Agent in Charge

Sent

EX-115

M

Per

4 MAY 29 1963

Name

Hotel. MORRIS KLEINMAN, SAM TUCKER, MORRIS DALITZ, RUBY KOLOD, and the other lesser stockholders have all received 90-day letters from IRS which relate to the sale of the Desert Inn Hotel to a New York financial concern and then the lease back by hotel officials of this property. IRS is now contending that they cannot claim a capital gain on this property, but rather the sale price should have been taxed as regular income. This will mean an additional tax for each of the major stockholders of almost \$1,000,000.00. They have until the first part of July to prepare an answer and since [REDACTED] KOLOD, KLEINMAN, and TUCKER, he has been in Las Vegas conferring with [REDACTED] for several of the Desert Inn owners.

b7C [REDACTED] expressed the opinion that the owners of the Desert Inn were being harassed by Federal officials because of DALITZ's close association with JAMES RIDDLE HOFFA and the fact that HOFFA has made several substantial loans to DALITZ and his associates.

The question of microphones was also brought up by [REDACTED] explained to him that they recently had all of the executive offices at the Desert Inn Hotel checked as well as the homes and cars of the owners. The individual who made the check gave the place a clean bill of health and they now intend to have him come back once a month and recheck the offices. [REDACTED] has been identified as the individual who made the [REDACTED] at the Desert Inn Hotel.)

During the conversation [REDACTED] inquired of [REDACTED] if he believed there were any outside interests in the Desert Inn Hotel. [REDACTED] replied that he did not believe there were any "here" but he wasn't so sure about "the other place". By the other place [REDACTED] referred to the Stardust Hotel and from the tone of his voice it was apparent he is of the opinion that there are possibly outside interests at the Stardust Hotel.

Informant advised on 5/15/63 that on this date [REDACTED] was in contact with DALITZ, who called from Acapulco, Mexico. [REDACTED] suggested to DALITZ that in view "of something that has come up here" that he remain in Mexico for at least ten more days. He suggested that DALITZ call again the first of the week

63 and perhaps he could furnish additional information at that time.
67C (It is noted that the United States Marshall, Las Vegas, [REDACTED])

[REDACTED] was obviously instructing DALITZ to remain out of the country to avoid service of this subpoena. This information has previously been furnished to New York.)

Informant furnished no pertinent information on 5/16/63.

Informant advised on 5/17/63 that on this date [REDACTED] met briefly with [REDACTED] at which time [REDACTED] advised they were going to leave the [REDACTED] of the Stardust Hotel, who is a man named [REDACTED]. He will be replaced by [REDACTED] who presently works in the [REDACTED] at the Desert Inn Hotel. [REDACTED] will be replaced effective 5/20/63.

67C [REDACTED] also dictated a letter to [REDACTED] in New York City, which related further to the income tax matter involving the sale of the Desert Inn Hotel. [REDACTED] expressed the opinion to [REDACTED] that [REDACTED] was not capable of handling a tax matter of this dimension. He stated that KLEINMAN, KOLOD, and TUCKER employed [REDACTED] and this is about his only source of income. In contrast to [REDACTED] expressed the opinion that [REDACTED] is a "wizard in the tax field" and far above [REDACTED] told [REDACTED] that they were going to have to take [REDACTED] by the hand and lead him along in the matter because he obviously does not know the facts.

Informant advised on 5/18/63 that on this date [REDACTED] met at the Desert Inn Hotel with [REDACTED] hotel executive. [REDACTED] advised [REDACTED] that several of the hotel executives had appeared before the Federal Grand Jury in Los Angeles concerning the [REDACTED] matter. [REDACTED] was a witness and immediately following his appearance he called [REDACTED] at the Desert Inn Hotel. [REDACTED] said he gave them his name and address only and refused to answer any other questions. [REDACTED] stated that [REDACTED] was also a witness and he told the story pretty much as he saw it. [REDACTED] stated he could see nothing wrong with [REDACTED] testifying as he did and he could also understand why [REDACTED] would want to take the Fifth Amendment.

[redacted] then brought up the matter of his own case in New York City. He inquired of [redacted] as to what [redacted] believed would be [redacted] position in the case if he were placed in a position where he had to make a definite choice between either [redacted] or ROY COHN. [redacted] stated that [redacted] is "so damn loyal to his friends", but he believes that if he had to make a break with either the Desert Inn or COHN, that he would go with the Desert Inn. According to [redacted] claims that COHN gave him a chance to make some money which [redacted] had never done. [redacted] pointed out to [redacted] that this was not true, that he had cut [redacted] in on the Sunrise Hospital at Las Vegas and also on the land deal in San Diego. [redacted] made money on the hospital and he will not lose any on the land, which is more than can be said for some of the deals he participated in with [redacted], according to [redacted] is being pressed financially at the present time, [redacted] and this firm has several excellent customers. [redacted] stated that the people in New York were threatening to indict [redacted] but he [redacted] is of the opinion they are bluffing and just trying to scare [redacted] into testifying.

b7c
Informant furnished no pertinent information on 5/19/63.

Informant advised on 5/20/63 that on this date [redacted] was in contact with [redacted]. They discussed the pending loan applied for by WILBUR CLARK from the Teamsters Pension Fund in Chicago. Both [redacted] and [redacted] recommended against securing this loan, however, CLARK was adamant and has insisted on going ahead with the application. (FNU) [redacted] (Phonetic), who is connected with the Fund in Chicago, has been in Las Vegas for several days and has made a survey. He advised [redacted] that [redacted] was going to recommend against the loan since he believes CLARK's property in Las Vegas is over assessed and there are presently 6,000 vacant apartments in the City of Las Vegas at the present time. Both [redacted] and [redacted] also feel that if CLARK secures a loan from the Teamsters Pension Fund that Federal authorities will then actively investigate him as they are DALITZ at the present time. However, since CLARK is insistent on going ahead with the application both [redacted] and [redacted] agree they will fly with him to Chicago, Illinois on 5/29/63 and meet there with Fund officials. [redacted] stated he did not want to go but he would if absolutely necessary.

LV 92-461

WILBUR CLARK subsequently joined [REDACTED] and he stated that he was going to attempt to secure the loan, however, there appears to be some doubt at the present time as to whether it will be approved in view of the difficulty Fund officials and HOFFA are having at the present time and because of the [REDACTED] CLARK was also unhappy because a Desert Inn sign which was recently constructed near the new Las Vegas air terminal did not include his name on the sign. [REDACTED] explained to him that this decision was made by DALITZ and that DALITZ is "the boss". CLARK's answer was that "there is no question about that".

[REDACTED] CLARK observed
[REDACTED] had only been guilty to a misdemeanor. [REDACTED]

b7C [REDACTED] So at the present time the whole thing is in the hands of the court.

[REDACTED] stated that at the present time they have
"over a barrel". [REDACTED]

[REDACTED] when he subsequently comes up for sentencing in his own case, this will be taken into consideration and on the recommendation of the United States Attorney he will probably be given probation. However, if he refuses to testify the judge will probably "pour it on him". Both CLARK and [REDACTED] agreed that [REDACTED] "is in one hell of a spot".

Information furnished by the informant on 5/21/63 was furnished to the Bureau by separate communication.

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (92-3068)

DATE: 5-31-63

FROM : Legat, Mexico (92-26) (P)

SUBJECT: MORRIS BARNEY DALITZ, aka.
AR

~~CONFIDENTIAL~~

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE.

Remylet 3-29-63.

b1 [REDACTED] (C)

b7c [REDACTED]

b1 [REDACTED] (C)

- (5) - Bureau
(1 - Liaison Section)
(2 - Las Vegas, 92-461)
1 - Mexico City

(6)

JUN 1 10 23 AM '63

FBI

10 JUN 5 1963

Classified by 1565 SD/CAC/CA
Declassify on: OADR 9/18/91

235605

~~CONFIDENTIAL~~

2cc, ltr to
2cc, ltr to
62 JUN 11 1963

MC 92-26

CONFIDENTIAL

[REDACTED]

b7c

LEAD

MEXICO CITY OFFICE

AT MEXICO, D.F.

Will, through established sources, attempt to
further identify [REDACTED]

- 2 -

~~CONFIDENTIAL~~

192

FBI

Date: 5/31/63

Transmit the following in **PLAIN TEXT**

(Type in plain text or code)

Via

AIRTEL**AIR MAIL**

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (92-3068)
SAC, LOS ANGELES

FROM: SAC, LAS VEGAS (92-461)

MORRIS BARNEY DALITZ, aka

AR

OO: Las Vegas

WEEKLY AIRTEL SUMMARY

[redacted] advised on 5/22/63 that on this date [redacted] of the Desert Inn Hotel, met at the hotel with informant and [redacted] hotel executive. [redacted] advised he had met on the previous day with [redacted]

[redacted] stated that Departmental attorneys appeared to be more interested in the Desert Inn Hotel and in the activities

Information from [redacted] if utilized, should be carefully paraphrased in order to further protect the identity of this source.

- 3 - Bureau (R.M.)
 2 - Los Angeles (R.M.)

(1 - JOHN ROSELLI 92-113)

1 - New York [redacted]

6 - Las Vegas (92-461)

(1 - 92-461 sub 1)

(1 - [redacted])

(1 - [redacted])

(1 - 92-461 JOHN ROSELLI)

(1 - [redacted])

RBT:bar
 (12)

56 JUN 12 1963

Approved: _____

Special Agent in Charge

Sent _____

M

Per _____

REC-72

JUN 6 1963

92-3068-397

(Info)

LV 92-461

of MORRIS BARNEY DALITZ than in the alleged violation of ROY COHN. [REDACTED] had also been subpoenaed, as well as several others.

[REDACTED] he made it clear that the hotel has no current records of IOU's. He stated that, "these people just can't believe this" and they do not believe that [REDACTED] is telling the complete truth. [REDACTED] left definite impression that there is no current record of IOU's or other documentary evidence which relates to the COHN matter.

United States Marshal has also attempted to subpoena DALITZ to appear before grand jury in New York City; however, DALITZ definitely does not want to testify and he anticipates remaining in Acapulco, Mexico, until he feels he will not be served with a subpoena.

b7c [REDACTED] recently learned that the hotel had purchased \$6,000 worth of ice making machines from JOHN ROSELLI. [REDACTED] was not entirely pleased with this since he also sells a similar machine and he feels the machines sold by ROSELLI are inferior. [REDACTED] explained to him that in matters of this nature, it is not simply a matter of price, but on occasion it is better for everyone concerned, "to do it one way rather than another way." DALITZ evidently instructed the purchasing department that they were to buy these machines from ROSELLI and that it was simpler to handle it this way rather than to get into a "big hassle over something that's not that important."

Informant furnished no pertinent information on 5/23, 24, 25, 26, 27, 28/63.

Informant advised on 5/29/63 that on this date a [REDACTED] was at the Desert Inn Hotel. [REDACTED] DALITZ in the Colonial House Motel, which is located adjacent to the Desert Inn Hotel. [REDACTED] advised the informant that he has [REDACTED] and at the present time, DALITZ has \$32,000 invested in this motel.

LV 92-461

b7C [redacted] feels that there is something going on over there which DALITZ is unaware and he desires to bring this to his attention. [redacted] was advised by [redacted] that DALITZ was presently in Acapulco, Mexico, and would not be back for "another week or so."

Informant furnished no pertinent information on 5/30/53.

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE LAS VEGAS	OFFICE OF ORIGIN LAS VEGAS	DATE 6/19/63	INVESTIGATIVE PERIOD 4/2/63 - 6/10/63
TITLE OF CASE MORRIS BARNEY DALITZ, aka		REPORT MADE BY SA [REDACTED]	TYPED BY sak
		CHARACTER OF CASE AR	

REFERENCES:

Las Vegas report of SA [REDACTED] dated 4/3/63.

- P -

ENCLOSURES:

TO THE BUREAU: Original and one copy of letterhead memorandum setting forth characterization of informants utilized in instant report.

INFORMANTS:

[REDACTED]

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:	④ - Bureau (92-3068) (R.M.) 2 - Las Vegas (92-461)	92-3068-398 REC-4	
COPIES DESTROYED 9 25 MAY 23 1972	COPIES DESTROYED 9 25 MAY 23 1972	10 JUN 24 1963	EX-120
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS	
AGENCY <i>Dep't CCD+D</i>	REQUEST RECD. <i>6/28/63</i>	[REDACTED]	
DATE FWD. <i>06/28/63</i>	HOW FWD. <i>U/F</i>	[REDACTED]	
BY <i>U/F</i>		[REDACTED]	

55 JUN 28 1963

LV 92-461

62



LEADS:

THE LAS VEGAS DIVISION:

AT LAS VEGAS, NEVADA:

Will follow and report activities of subject.
Additional leads have previously been set out to individual
offices by separate communication..

- B* -

C O V E R P A G E

**UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION**

Copy to:

Report of:
Date:SA [REDACTED]
6/19/63

Office: Las Vegas, Nevada

Field Office File No.:

Las Vegas (92-461)

Bureau File No.: (92-3068)

Title:

MORRIS BARNEY DALITZ

Character:

ANTI - RACKETEERING

Synopsis:

b7c

DALITZ has been away from Las Vegas for approximately one month. He was recently known to be in New York City, and Acapulco, Mexico, and is currently in Madrid, Spain. He is constructing a home in Acapulco; however, he is having difficulty with a [REDACTED] who is handling the financing for this home. GEORGE GORDON, hotel collector, is reportedly being "groomed" as possible replacement for DALITZ at the Desert Inn Hotel. Subject involved in various capacities during recent weeks with JOHN ROSELLI, JOHN DREW, FELIX ALDERISIO, [REDACTED] all of whom are known hoodlums or closely associated with known racketeers. Subject owns 75 percent of the Colonial House Motel, Las Vegas.

L

- P -

DETAILS:TRAVEL

**b2
b7D**

[REDACTED] DALITZ was at the St. Regis Hotel in New York City. GEORGE GORDON, a collector for the Desert Inn Hotel, [REDACTED] staying at the St. Regis at the same time. [REDACTED] DALITZ went from New York directly to Acapulco, Mexico, before returning to Las Vegas on May 2, 1963.

[REDACTED] advised that DALITZ was again in Acapulco, Mexico, on May 15, 1963. Informant stated DALITZ is intentionally remaining out of the country in order to avoid a subpoena which United States Marshals attempted to serve on him shortly subsequent to his departure from Las Vegas on May 8, 1963. DALITZ was to appear before a Federal Grand Jury in New York City. [REDACTED]

[REDACTED] advised subject departed from Mexico on approximately June 6, 1963, and traveled to Madrid, Spain, where he intends to remain for an indefinite period.

ASSOCIATES AND ACTIVITIES

[REDACTED] advised in April, 1963, that [REDACTED] handled some of the financial arrangements connected with the construction of DALITZ's new home in Acapulco, Mexico. DALITZ turned funds over to [REDACTED]

For several weeks DALITZ has been attempting to contact [REDACTED] DALITZ anticipated going to Mexico, and there contacting a [REDACTED] who is acquainted [REDACTED]

DALITZ will instruct [REDACTED] to bring suit to recover the money. DALITZ feels he can account for the money he is using to construct the home, and therefore is in a position to bring suit against [REDACTED]

b7C
[REDACTED]

[REDACTED] advised in April, 1963, that GEORGE GORDON, who is presently a collector for the Desert Inn Hotel, is being "groomed" to take over the responsibilities of DALITZ at the Desert Inn in the event DALITZ retires or for some other reason is unable to continue with his executive duties. Other present hotel executives are in general agreement that GORDON will never be as effective an executive as is DALITZ.

b2
b7C

[REDACTED] advised in April, 1963, that approximately six months ago [REDACTED] of the Desert Inn Hotel. In connection with his off-duty activities, [REDACTED] was cautioned by DALITZ that he is not to associate with, or become involved with JOHN ROSELLI, well known Las Vegas and Los Angeles hoodlum. DALITZ is of the opinion ROSELLI is looking for every opportunity to embarrass the hotel and to embarrass [REDACTED]. Informant was unable to determine the basis for this opinion of DALITZ.

This informant advised further in May, 1963, that the Desert Inn Hotel had recently purchased some ice-making machines from JOHN ROSELLI, although a better machine at the same price could probably have been purchased from other sources. The purchase was made on instructions of DALITZ who indicated it was better to buy the machines from ROSELLI than to have difficulty over something that was not important.

[REDACTED] advised in April, 1963, that JOHN DREW, Stardust Hotel executive, had recently engaged in a poker game in which he lost \$150,000 of Stardust Hotel money. When DALITZ found out about this incident, he was furious with DREW and threatened to get rid of him completely if he did not return the money to the hotel. DREW immediately paid back \$55,000, but still owed the hotel the balance.

b2
b7C
b7D

[REDACTED] advised in May, 1963, that during early May, 1963, FELIX "MILWAUKEE PHIL" ALDERISIO spent several days at the Desert Inn Hotel where he was in constant contact with RUBY KOLOD, casino executive. This disturbed DALITZ since he felt KOLOD should not be closely identified with ALDERISIO, a Milwaukee and Chicago, Illinois hoodlum. DALITZ indicated he is familiar with ALDERISIO's background, and is of the opinion he could cause the hotel considerable trouble.

[REDACTED] all advised in May, 1963, that during the latter part of April and early May, 1963, [REDACTED] and [REDACTED] were in Las Vegas, Nevada, and stayed at the Desert Inn Hotel for approximately two weeks. During the time they were in Las Vegas, [REDACTED]

[REDACTED] If it could be determined that state authorities would favorably consider an application by [REDACTED]

L [REDACTED] New Frontier Hotel, Las Vegas.

b7C

In connection with this activity, DALITZ made numerous contacts on behalf of [REDACTED] including introducing him to people who were in a position to favorably influence gaming authorities. Among those contacted by DALITZ was MAJOR RIDDLE, President of the Dunes Hotel. RIDDLE was to contact [REDACTED] to determine whether state authorities would be amenable to [REDACTED]

[REDACTED] DALITZ assisted [REDACTED] of subject's close friendship with JOSEPH ZERILLI [REDACTED]

Various sources have advised that [REDACTED] of Hazel Park Racing Association, Inc. [REDACTED] who was a prohibition era bootlegger, rumrunner, and racketeer in Detroit, Michigan. He is presently considered elder statesman and leader of the Detroit Italian criminal syndicate.

LV 92-461

[REDACTED]
[REDACTED] a nationally known New York racketeer.

b7C
[REDACTED]
Michigan, is a close associate of [REDACTED] also a notorious
Prohibition Era gangster and racketeer. [REDACTED]
[REDACTED] of Detroit,
who is likewise a Prohibition Era bootlegger and racketeer.
[REDACTED] has been arrested twenty times by the Detroit
Police Department.

LEGITIMATE BUSINESS

b2
[REDACTED] advised in May, 1963, that DALITZ owns
75 percent of the Colonial House Motel which is located
adjacent to the Desert Inn Hotel. He has approximately
\$82,000 invested in this motel. The remaining 25 percent
is owned by ROBERT BROOKS of Los Angeles California.



In Reply, Please Refer to
File No.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Las Vegas, Nevada

June 19, 1963

Title MORRIS BARNEY DALITZ

Character ANTI - RACKETEERING

b7C Reference Report of Special Agent [REDACTED]
[REDACTED] dated and captioned as
above.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.



In Reply, Please Refer to
File No.

UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Las Vegas, Nevada

June 19, 1963

MORRIS BARNEY DALITZ
ANTI - RACKETEERING

b7C [REDACTED] Reference is made to report of Special Agent [REDACTED]
dated June 19, 1963, at Las Vegas.

Set forth below is a characterization of informants
utilized in referenced report.

b2
b7C [REDACTED]

MORRIS BARNEY DALITZ

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

6/19/63

AIRTEL

TO: SAC, LAS VEGAS (62-227)

FROM: DIRECTOR, FBI (63-8144)

JAMES RIDDLE HOFFA
WILBUR IVERN CLARK

MISCELLANEOUS - INFORMATION CONCERNING
(ACCOUNTING AND FRAUD SECTION) -
(OO:LV)

ReLVairtel dated 6/14/63, captioned "MORRIS BARNEY DALITZ, aka.; AR," Bufile 92-3068, LVfile 92-461, setting forth a weekly summary of information furnished by [REDACTED]

Reairtel sets forth considerable information obtained from [REDACTED] concerning Wilbur Clark, [REDACTED] and a proposed loan from the Teamsters Union Pension Fund.

Las Vegas is instructed to promptly prepare a LHM suitable for dissemination under the caption of this communication setting forth information received from this source concerning the proposed Pension Fund loan. Extreme caution must be taken in the preparation of this memorandum and reporting the information from this source in order that the source will not be compromised or identified. T symbols should not be used.

This LHM should be concluded with a statement to the effect that no investigation is being conducted concerning this loan; however, any additional information coming to the Bureau's attention will be furnished the Criminal Division.

In the event Las Vegas obtains additional information in the future bearing on this matter a LHM suitable for dissemination to the Criminal Division should promptly be submitted to the Bureau.

1 - Philadelphia (62-4267)(Info)

① - 92-3068 (Morris Barney Dalitz)
WAF:een
(6)

62
b7c
JUN 20 1963

DUPLICATE YELLOW

NOT RECORDED

78 JUN 27 1963

FBI

Date: 6/14/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIRMAIL
(Priority or Method of Mailing)TO : DIRECTOR, FBI (92-3068)
SAC, LOS ANGELES

FROM : SAC, LAS VEGAS (92-461)(P)

SUBJECT: MORRIS BARNEY DALITZ, aka
AR
OO: Las VegasWeekly Airtel Summary

[REDACTED] furnished the following information on the dates indicated.

Informant furnished no pertinent information on 6/3/63, or 6/4/63.

Information from [REDACTED] if utilized, should be carefully paraphrased in order to protect the identity of this source.

- ③ - Bureau (R.M.)
3 - Los Angeles (R.M.)

1 - Chicago (Info)

1 - JOHN ROSELLI 92-113

1 - New York (R.M.)

1 - Miami (R.M.) (MORRIS KLEINMAN)

1 - Philadelphia (R.M.)

(JAMES RIDDLE HOFFA, [REDACTED])

12 - Las Vegas (1 - 92-461)

(1 - 92-461 Sub 1)

ET AL 62-4267)

(1 - WILBUR CLARK 92-163)

(1 - JOHN ROSELLI 92-467)

(1 - DESERT INN 92-707)

(1 - MORRIS KLEINMAN 92-9)

(1 - RUBY KOLOD 92-493)

Approved: [REDACTED]
(23)

Sent

M

Per

LV 92-461

Informant advised on 6/5/63, that on this date [redacted] Desert Inn Hotel, and [redacted] Desert Inn Hotel, met with the informant at the Desert Inn. [redacted] stated that MOE DALITZ was either in Acapulco, Mexico, or Europe, at the present time; however, he did not know personally where DALITZ could be located. [redacted] explained that it was essential they contact DALITZ so he could personally sign some papers they were preparing in connection with their IRS case. [redacted] stated he would contact DALITZ's wife and make some telephone calls and attempt to determine where DALITZ is at the present time.

b7c [redacted] briefly discussed [redacted] commented that the FBI had been down at the Bank of Las Vegas checking the financial records of ROY COHN. The agent also asked several questions regarding certain financial dealings of [redacted], California. [redacted] stated he had been furnished this information by [redacted] commented that the case in New York involving ROY COHN is very much involved; however, he does not believe the Justice Department has a strong case against COHN. He believes that regardless of this COHN will be indicted and then even if they subsequently lose the case, they have ruined the man's reputation which "may be" what the AG wants to accomplish. [redacted] stated that the AG has a vendetta against COHN just like he has against JIMMY HOFFA, and they are out to get him one way or another.

Informant advised on 6/6/63, that on this date [redacted]

[redacted] for MORRIS KLEINMAN, RUBY KOLOD and SAM TUCKER, all principal owners of the hotel.

LV 92-461

During the course of their discussion, [REDACTED] was contacted telephonically by [REDACTED] requested [REDACTED] to advise [REDACTED] that he had finally received the check from [REDACTED]. Following the telephone call, [REDACTED] commented that, "I really sweat that thing out."

[REDACTED] KLEINMAN's account. The reason that if a check of that size went through KLEINMAN's account, that the FBI would jump on this in a hurry. [REDACTED] stated that if the FBI comes to him now [REDACTED] he will just tell them it is none of their business.

b7c
It will be necessary for all of the owners to personally sign the petition that must be filed with IRS on 7/2/63. Since DALITZ is out of town and will probably not return to Las Vegas until after that date, it will be necessary to contact him outside of the country. Consequently, [REDACTED] contacted his office in New York City and instructed his secretary to deliver a copy of the petition to [REDACTED] business associate of DALITZ, who is departing for Madrid, Spain, within the next few days. [REDACTED] then contacted [REDACTED] in New York City and requested him to deliver the sealed envelope to DALITZ in Madrid. The document will be signed before the American Embassy in Spain. [REDACTED] with DALITZ of a yacht which is presently docked near Madrid, anticipates meeting DALITZ in that country within the next few days.

Informant advised on 6/7/63, that on this date [REDACTED] and [REDACTED] were at the Desert Inn Hotel. [REDACTED] stated that IRS agents had made inquiries regarding JOHN ROSELLI. They stated they understood ROSELLI broke his leg at the hotel during December, 1960, and they wanted to know if the hotel settled with ROSELLI. As a corporation, [REDACTED] is of the opinion they should make any information of this nature available to IRS. [REDACTED] was perturbed that this matter had been brought up and made it clear to [REDACTED] that the hotel had nothing to do with this incident and had not settled with ROSELLI. [REDACTED] stated agents were also interested in the Silver State Warehouse which was organized in 1955, with RUBY KOLOD, WILBUR CLARK, ROSELLI,

LV 92-461

and others as principal stockholders. IRS desired to see the books relating to the corporation and understood the records had been kept by the Desert Inn Hotel. [REDACTED] stated he had no information indicating this was the case; however, [REDACTED] stated he would check with [REDACTED] and at the same time check further on the ROSELLI incident. He stated that if the hotel corporation had information regarding either one of these matters, that he believed it should be furnished to Federal authorities.

b7c After [REDACTED] left the room, [REDACTED] was subsequently joined by [REDACTED] [REDACTED] explained to [REDACTED] that, [REDACTED] is terrified every time the name ROSELLI is mentioned. There is something really rotten in Denmark." [REDACTED] characterized ROSELLI as "one of the strong arm boys." He advised [REDACTED] that IRS is of the opinion ROSELLI has been paid money, possibly through the entertainers. They wanted to talk to [REDACTED] among others since they are of the opinion he may have been involved. ROSELLI has recently sold some ice machines to the Desert Inn Hotel and IRS agents not only wanted to see the cancelled checks but also insisted on seeing the machines.

Subsequently [REDACTED] was in conference with a person believed to be [REDACTED] business associate of DALITZ, [REDACTED] and several other hotel executives. [REDACTED] advised [REDACTED]

[REDACTED]

information regarding the incident other than what was related to him subsequently. He stated he first learned of the matter from the FBI when he went down into the lobby shortly after the alleged shake down, and there met two FBI agents who were waiting at that time to see [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] He stated this was not true since he had lunch that day at the country club and had no information regarding the matter except that he knew the FBI was in the hotel and was conducting an investigation.

67C
[REDACTED] advised on 6/8/63, that on this date [REDACTED] and [REDACTED] were all at the Desert Inn Hotel. [REDACTED] stated that the [REDACTED] Arizona, was going to lease space in the new addition of the Desert Inn Hotel for a clothing store. The group then discussed some of the financial dealings of WILBERT CLARK. [REDACTED] made the observation that CLARK's financial dealings are so involved that in the event he dies, many of them will never be straightened out. He buys property, loans money or makes some other deal and many times never tells anybody or makes any record of the transaction. He is insistent on continuing to attempt to secure a five and a half million dollar loan from the Teamsters Pension Fund in Chicago, Illinois. Both [REDACTED] and [REDACTED] have strongly recommended against CLARK's securing this loan and becoming involved with the Teamsters Union and JIMMY HOFFA; however, he is adamant in his refusal to let the matter drop. He anticipates constructing a high-rise apartment building in Las Vegas which he feels will be a continuing monument to his name and will be something for people to remember him by after he is gone. [REDACTED] suggested he set up a trust for crippled children or a scholarship for worthy high school graduates, but he did not agree with this suggestion. [REDACTED] stated he was waiting now for a phone call from a [REDACTED] (phonetic) [REDACTED] 1LL

[REDACTED] explained the background of the loan to those present, and he stated as usual the whole thing is "clothed in mystery."

LV 92-461

He explained there is a man named [REDACTED] who is not actually a [REDACTED], and he lines them up a building contractor, and the builder who gets the job makes the deal with [REDACTED]

[REDACTED] is acquainted with an individual named [REDACTED] introduced CLARK to [REDACTED] and [REDACTED] had CLARK come back east. He took CLARK to some little restaurant "down by a river", and there introduced CLARK to an individual described by [REDACTED] as being [REDACTED]. This unnamed individual told CLARK he could get him the five and a half million dollar loan.

There was to be no personal guarantee connected with the loan.

Later, CLARK goes back to Chicago and meets with the fund representatives. JIMMY HOFFA among others was present. CLARK got the impression at that time that the loan had been approved and everything was alright; however, no commitment papers have been received to date, and the loan has not been finally approved.

Later, [REDACTED] come to Las Vegas and they have got some papers already prepared for CLARK to sign. [REDACTED] CLARK is giving [REDACTED]

According to [REDACTED] Then if the commitment goes through [REDACTED]

This will be paid out of the first draw for construction.

[REDACTED] claims he can work this out satisfactorily, but [REDACTED] does not know how this can be done. [REDACTED] stated he dictated a memorandum in which he attempted to show CLARK what this was going to cost him, and tried to convince him he did not need [REDACTED]. CLARK apparently would not listen to [REDACTED] advice. [REDACTED] characterized [REDACTED] as a "dangerous guy" because he has a little knowledge.

LV 92-461

In addition to the deal with [REDACTED] CLARK also entered into a contract with [REDACTED] which says that in consideration for [REDACTED] having introduced him to [REDACTED] so CLARK could get the loan, that he will enter into a contract with a contractor selected by [REDACTED]. This contractor will submit a bid to construct the high-rise apartment and CLARK will have a specified time in which to accept this bid. If he fails to accept this bid submitted by the contractor selected by [REDACTED], then he must pay [REDACTED]. [REDACTED] stated that when [REDACTED] was here with the contract to be signed by WILBUR, that he was so anxious to have WILBUR sign the contract that he was actually shaking.

b7c In addition to the above expenses, CLARK has also retained an architect from Phoenix, Arizona, who, according to [REDACTED] appears to be a reputable individual. He has already paid the architect at least [REDACTED] for preliminary plans.

[REDACTED] (phonetic), [REDACTED] the Realty Research Corporation in Chicago, was in Las Vegas [REDACTED]

[REDACTED] approximately 6,000 vacant apartment units in Las Vegas. [REDACTED] subsequently called, however, and said a conference had been held and everything had been taken care of.

[REDACTED] however, the man will go on his own and authorize another five hundred thousand. That leaves a million dollars short, and if CLARK and his wife will personally guarantee the million. [REDACTED]

[REDACTED] would be forthcoming and that CLARK would probably hear something within one week. That has now been two weeks, and nothing has been received to date. [REDACTED] pointed out also that in the meantime several fund officials in Chicago have been indicted.

LV 92-461

[REDACTED] subsequently related to [REDACTED] that recently the hotel had retained an individual named [REDACTED] who had checked the Desert Inn Hotel, the Stardust Hotel, *NEW*

[REDACTED] Desert Inn Hotel. He stated, however, that he has since found out that [REDACTED]

[REDACTED] is of the opinion now that [REDACTED] possibly [REDACTED] in order to make himself look good and to promote himself a permanent job. [REDACTED] stated that after [REDACTED]

b7C [REDACTED] stated that he and [REDACTED] talked to [REDACTED] at length, and he does apparently know what he is doing. He told them for instance that nothing can be done with telephone taps because they are handled downtown at the telephone company, and telephone officials cooperate fully with the FBI. [REDACTED] stated he told them that a telephone tap cannot be detected merely by listening in on the telephone.

[REDACTED] stated that when DALITZ was recently in New York, he was in contact there with EDUARD ARCARO, a jeopardy ARCARO is representing the Public Securities System of California.

This company manufactures and installs closed circuit fire and burglary alarm systems. DALITZ told ARCARO that they could probably use something like that in Las Vegas, and sent him out to see [REDACTED] stated ARCARO had been in the office two or three times, and had showed them the system. He stated it looks pretty good, and they may possibly have this system installed.

LV 92-461

rule or the judge will probably sentence him to prison. He pled guilty to a felony, but it can be construed as a misdemeanor if he can show he had no knowledge of this particular regulation.

UNITED STATES GOVERNMENT

Memorandum

JUNE

TO : DIRECTOR, FBI (Bufile 92-3068) DATE: 6/15/63

FROM : SAC, LAS VEGAS [REDACTED] **b2**
b7D

SUBJECT: JUSTIFICATION FOR CONTINUATION OF TECHNICAL OR MICROPHONE SURVEILLANCE

RE: Title MORRIS BARNEY DALITZ, aka

Character of Case AR **b2**
Field Office Las Vegas
Symbol Number [REDACTED]
Type of Surveillance: (Technical or
Microphone)
CONF. INFT.

1. Name of person or organization on whom surveillance placed:
MORRIS BARNEY DALITZ, Desert Inn Hotel, Las Vegas, Nevada.
2. Address where installation made. Also give exact room number or area covered: Executive offices, Desert Inn Hotel. Space utilized by DALITZ and other hotel executives.
3. Location of monitoring plant: Las Vegas Office

4. Dates of initial authorization and installation: Authorized 8/3/61;
installed 3/22/62

5. Previous and other installations on the same subject (with dates and places):
None

6. If installation is a technical surveillance, answer following questions:

- a. Is a trunk line utilized? NA
- b. Is the surveillance on a switchboard? NA
- c. Is the surveillance on a public coin-operated telephone? NA

1 - Bureau (R.M. - A.M.)

1 - Las Vegas

1 - [REDACTED] (2)

Re: [REDACTED] 6/15/63

6

REC-18

92-3068-400

6 JUN 19 1963

SPEC.

b7C

6/20/63

- d. Is surveillance on a private line or a party line? NA
- e. If a party line, how many parties? NA
- 7. If a microphone surveillance involved, state number of microphones actually used and location of each: One (Executive offices, Desert Inn Hotel)
- 8. Is the installation part of a tel-mike? If so, give symbol of other side of the combination: No
- 9. Specific examples of valuable information obtained since previous report with indication of specific value of each item and the date information received. State what use was made of each item involved: (Add insert pages)
See page 2A
- 10. Could above information have been obtained from other sources and by other means? No
- 11. Number of live informants (in field division) who cover same subject: three
- 12. Has security factor changed since installation? No
- 13. Any request for the surveillance by outside agency (give name, title and agency): No
- 14. Cost of Plant Premises:
 - a. Rental costs for plant premises: None
 - b. Give total number of other surveillances monitored at same plant. Six

On 3/9/63, informant identified an individual named [REDACTED] as being at the Desert Inn Hotel where he was checking the executive offices for technical installations. [REDACTED] checked the automobiles and homes of the various hotel owners for technical equipment. [REDACTED]

b7c Informant advised on 4/3/63, that according to [REDACTED] of the Desert Inn Hotel, GEORGE GORDON, hotel collector, is being "groomed" to replace MORRIS B. DALITZ in the event DALITZ resigns or for some other reason is forced to discontinue his activities as a hotel executive.

On 5/2/63, informant furnished details of an incident which occurred at the Desert Inn Hotel. [REDACTED]

[REDACTED] This case is currently being investigated by the FBI.

On 5/7/63, informant advised that DALITZ was assisting [REDACTED] New Frontier Hotel. In this connection, he contacted MAJOR RIDDLE, President of the Dunes Hotel, and requested RIDDLE to contact [REDACTED] and attempt to secure his cooperation.

- c. If any others, set out the proportionate cost of instant surveillance: None

15. Cost of Leased Line for instant installation? \$29.75

16. Personnel Costs:

- a. Give total number of special employees and/or Special Agents working at plant and total salary costs. Four Grade 7 clerks, full time, at \$23,180 per year.

- b. Total number of man hours per week spent at plant?
160 hours per week - monitored in office

- c. If other installations monitored at same plant, list proportionate number of man hours per week spent on instant surveillance: 26.6

- d. If other installations monitored at same plant, list proportionate salary expense per annum for instant surveillance: \$3,853 per annum

17. Remarks (By SAC):

b7C Informant has continued to furnish extremely valuable information in the criminal intelligence field, especially as it relates to the activities of MORRIS BARNEY DALITZ, [REDACTED] and other Las Vegas AR subjects who are associated with the ownership and management of the Desert Inn Hotel. Informant has kept this office fully advised of the activities of these individuals as well as of contemplated activities and travels. Informant also furnishes information regarding individuals associated with the Stardust Hotel Las Vegas, Nevada.

Instant source will be continued an additional 90 days UACB since information furnished by informant could not otherwise be obtained.

18. Recommendation by Assistant Director:

(If this surveillance involves cryptanalysis, include statement that decrypted material is or is not sufficiently important to continue decrypting.)

This is one of our most valuable sources with respect to our investigation of skimming and hoodlum interests in the Nevada gambling industry. It is in daily contact with officials of the Desert Inn Hotel which is operated by Morris Barney Dalitz and a group of ex-Cleveland gamblers who also operate the Stardust Hotel. Source has provided valuable information concerning the activities of Dalitz and associates and continues to furnish an insight into the hoodlum control of the Desert Inn. SAC, Las Vegas recommends continuance for 90 days and the Special Investigative Division concurs.

*Met
4/15/51
Barney Dalitz*

F B I

Date: 6/25/63

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)TO: DIRECTOR, FBI (92-3068)
SAC, LOS ANGELES

FROM: SAC, LAS VEGAS (92-461) - P -

MORRIS BARNEY DALITZ, aka
AR
OO: Las VegasWEEKLY AIRTEL SUMMARY[REDACTED] furnished the following information on
the dates indicated:Information from [REDACTED] if utilized, should
be carefully paraphrased in order to further protect the
identity of this source.

- ③ - Bureau (R.M.)
- 3 - Los Angeles (R.M.)
 - (1 - [REDACTED])
 - (1 - [REDACTED])
 - (1 - [REDACTED])
- 1 - New York (R.M.)
- 1 - Chicago (Info.)
- 1 - Philadelphia
- 10 - Las Vegas (92-461)
 - (1 - 92-461 sub 1)
 - (1 - 92-707 DESERT INN HOTEL)
 - (1 - [REDACTED])
 - (1 - [REDACTED])
 - (1 - 92-21 JOHN DREW)
 - (1 - 92-363 WILBUR CLARK)
 - (1 - [REDACTED] et al)
 - (1 - [REDACTED] et al)
 - (1 - [REDACTED] et al)

EFT: [REDACTED]
(19)

REC-72

EX-116

JUN 28 1963

C. C. WICH

51 JUL 1 1963
Approved: [REDACTED]

Sent

M

Per

LV 92-461

b7C Informant advised on 6/10/63 that on this date [redacted] of the Desert Inn Hotel, Las Vegas, Nevada, met with the informant at the Desert Inn Hotel. [redacted]

[redacted] He stated he is only vaguely acquainted and has never had any personal contact with this individual.

[redacted] also mentioned the case in New York involving [redacted] and ROY COHN. He stated he knows COHN but he is also not well acquainted with this individual. The only dealing he has had with COHN was a few months ago when COHN called him from New York City and requested [redacted]

b7C [redacted] On this occasion [redacted] in Cohn's office in New York City. This matter has still not come to trial.

Informant furnished no pertinent information on 6/11/63.

Informant advised on 6/12/63 that on this date [redacted] met at the Desert Inn Hotel with WILBUR CLARK, hotel president. [redacted] received a telephone call from [redacted] from Los Angeles. [redacted] CLARK to secure a loan from the Teamsters Pension Fund in Chicago, Illinois. [redacted] requested [redacted] and [redacted] to travel to Chicago and there [redacted]

LV 92-461

contact [REDACTED] regarding the loan applied for by CLARK. [REDACTED] until a meeting had previously been arranged with [REDACTED] and he would not go without [REDACTED] who according to [REDACTED] was not available at that time. [REDACTED] expressed the opinion that [REDACTED] CLARK to secure the loan, were spending too much of CLARK'S money unnecessarily.

b7c [REDACTED] stated that [REDACTED] had been calling from the East and had requested [REDACTED] to call [REDACTED] feels that the initiative in this case should be taken by [REDACTED] when he is ready to set down and finalize the commitment.

[REDACTED] CLARK had previously made application for a loan amounting to \$5,500,000 and [REDACTED]

[REDACTED] WILBUR CLARK should have his experts to take a good long hard look at this before he decides to go ahead."

CLARK, upon hearing the account of [REDACTED] and CLARK were extremely critical of [REDACTED] and they both agreed he was "no good." He pointed out that when he presented a bill for his expenses to CLARK [REDACTED] CLARK and [REDACTED] feel this is an indication of the type of individual they have been dealing with in [REDACTED] CLARK stated, "the (obscene) has got \$20,000 of my money already."

CLARK subsequently contacted [REDACTED] in Los Angeles and furnished him an account of the conversation with [REDACTED]

LV 92-461

██████████ stated he would get in touch with ██████████ and attempt to find out what the true situation is at the present time.

67C ██████████ and CLARK then discussed a \$20,000 cash deposit which had been deposited in CLARK's account at the Bank of Las Vegas. CLARK was unable to account for this deposit and had no idea who put it in the bank. CLARK stated he was not even in town when the deposit was made and part of the deposit was supposed to have been in the form of 200 \$20 bills. He stated he has never had 200 \$20 bills and all he ever carries is loose change and 100's. CLARK checked with ██████████, Desert Inn Hotel, who advised he had no knowledge regarding the \$20,000. This is apparently a complete mystery to both CLARK and ██████████ and they have no idea as to the source of this money. CLARK stated he has a safety deposit box at the Bank of Las Vegas and he has no idea what is contained in this box.

The Desert Inn recently sold a piece of property adjoining the Desert Inn Country Club for \$580,000. ██████████ stated a group of 20 individuals from Los Angeles, California, were going to construct an apartment complex, which will overlook the golf course. This will be known as Country Club Towers and will include one 8 story apartment building and 3 12 story apartments. Also included will be swimming pools, an ice rink and other features. The whole project, which will be completed over a four year period if final plans are approved, will cost approximately \$40,000,000.

Informant advised on 6/13/63 that on this date ██████████ again contacted ██████████ in Las Vegas and requested him to place another call to ██████████. ██████████ declined to do this and stated if there was any new or additional information ██████████ should call him. ██████████ stated he had contacted ██████████ who had learned that the information furnished by ██████████ was in error and the commitment was actually going through for the originally agreed sum of \$5,500,000. ██████████ advised ██████████ that he should advise ██████████ call him if he had any new or additional information.

LV 92-461

Informant furnished no pertinent information on 6/14, 15, 16, 16/63.

On 6/18/63 informant advised that according to

[REDACTED]

b7C
b7D

[REDACTED]

Informant advised on 6/19/63 that on this date [REDACTED] met at the hotel with JOHN DREW, a 5 % owner of the Stardust Hotel. [REDACTED] related to DREW [REDACTED]

b7C

[REDACTED]

[REDACTED] DREW inquired of [REDACTED] as to whether he believed any indictments would be returned. [REDACTED] stated that he did not believe any indictments would be returned because there was not sufficient evidence to justify prosecution.

LV 92-461

Later in the day, [REDACTED] met with an unknown individual from the Reno, Nevada, area. This person is close to [REDACTED]

b7C [REDACTED] and this unknown individual agreed that members of the Nevada Hotel Association should get together and plan their strategy prior to the time the assembly reconvenes. [REDACTED] feels that the industry might be in a better position if they agreed to a small increase of gambling taxes at this time rather than take a chance of a substantial increase in two years. Another alternative suggested by the unknown individual was an increase of the present room taxes. In this manner, taxes could be passed on to tourists visiting Las Vegas and would not be a direct tax on the gambling industry.

FBI

Date: June 28, 1963

Transmit the following in PLAIN TEXT

(Type in plain text or code)

Via AIRTELAIRMAIL

(Priority or Method of Mailing)

TO: DIRECTOR, FBI (92-3068)
 FROM: SAC, LAS VEGAS (92-461) (P)
 MORRIS BARNEY DALITZ,
 AR
 (OO: Las Vegas)

WEEKLY AIRTEL SUMMARY

[REDACTED] furnished the following information on the dates indicated:

Information from [REDACTED] if utilized, should be carefully paraphrased in order to further protect the identity of this source.

- 3 - Bureau (R.N.)
 1 - New York (RM)
 1 - Los Angeles (RM)
 1 - Chicago (Info) (RM)
 1 - Phoenix (Info) (RM)
 8 - Las Vegas (92-461)
 (1 - 92-461 Sub 1)
 (1 - 92-707 DESERT INN HOTEL)
 (1 - [REDACTED])
 (1 - [REDACTED])
 (1 - 92-363 WILBUR CLARK)
 (1 - [REDACTED] et al)
 (1 - [REDACTED] et al)

RBT:nph
 (15)

REC-13 92-3068-402

JUL 8 1963

C. G. Wick

62 JUL 15 1963

LV 92-461

Informant advised on 6/20/63, that according to [REDACTED] Desert Inn Hotel, DALITZ is presently in Europe, and will remain there indefinitely, and matter. After leaving New York, he anticipates going to Detroit, Michigan, for two days before returning to Las Vegas on about 6/22/63.

Informant furnished no pertinent information on 6/21/63.

b7c Informant advised on 6/22/63, that on 6/21/63 [REDACTED] returned to Las Vegas, and on 6/22/63, he met with [REDACTED] and the informant at the Desert Inn Hotel. [REDACTED] advised that (FNU) [REDACTED] Arizona, was in town and was to [REDACTED] which is leasing space in the new Desert Inn [REDACTED] This chain of stores is owned and operated by [REDACTED] who is the brother of [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

LV 92-461

Apparently SAM GARFIELD had been questioned previously and had given evasive, incomplete answers. [REDACTED] stated they put the pressure on him to work on GARFIELD. He said he did not learn until yesterday that GARFIELD had met with one of ROY COHN's partners. [REDACTED] apparently met with GARFIELD [REDACTED]

[REDACTED] with GARFIELD. GARFIELD stated that he feels the questioning is going too far, that he furnished information in the original [REDACTED] and now they want information regarding ROY COHN and he believes that it will go on and on from there. [REDACTED] stated he told GARFIELD that this may be true, but regardless, [REDACTED] believed GARFIELD should tell them what they wanted to know right now. He suggested to GARFIELD that he not hold anything back, that he think the matter over clearly, and not keep saying he does not remember. [REDACTED]

b7C [REDACTED] He said he told GARFIELD that he has got to remember the details and go over them in his mind item by item, and then set down with [REDACTED] and give him the complete story.

[REDACTED] stated that what it has come down to is that either GARFIELD tells what he knows, or both [REDACTED] and GARFIELD [REDACTED]

[REDACTED] indicated he was going to see GARFIELD again in the next few days, possibly in Los Angeles, California. [REDACTED] stated he would be glad to accompany [REDACTED] when he talks to GARFIELD but he did not think it would be advisable since the [REDACTED]

[REDACTED] indicated he was going to talk to [REDACTED] regarding the matter, and find out exactly what position he intended to take. He stated he could not afford to antagonize [REDACTED] because at the present time [REDACTED] is handling for him.

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Informant furnished no information on 6/23,24/63.

Informant advised on 6/25/63, that on this date [redacted] was again in the Desert Inn Hotel, where he talked to several individuals. He stated [redacted] was in Los Angeles, and would return to Las Vegas on 6/26/63. [redacted] made the observation that [redacted] was "really broken up" [redacted]

b7c [redacted] stated that [redacted] does not want to do anything that will offend DALITZ, and this "last decision" of [redacted] is something DALITZ is not going to like. [redacted] on the other hand has no alternative other than the course he is taking. DALITZ is still out of the country and intends to remain out of the country until there is no further possibility he will be subpoenaed to testify in the New York case. If he is forced to testify he will simply have to take the 5th Amendment. [redacted] stated he called DALITZ in Europe from San Diego, California, and DALITZ indicated he has no intention of returning to the country in the immediate future. [redacted] stated DALITZ should be back in Las Vegas, since there are several decisions which should be made and they cannot be made without first getting his opinion. Regarding the affair in New York, [redacted] stated that in the beginning [redacted] was probably being used by GARFIELD; however, as the matter progressed, [redacted] was telling GARFIELD what to do.

Informant advised on 6/26/63, that WILBUR CLARK has had another "attack" and is in very poor health at the present time. [redacted] expressed the opinion that he certainly hopes CLARK does not receive the loan from the Teamster's Pension Fund in Chicago, to construct the new 5 1/2 million apartment building in Las Vegas. [redacted] just add an extra burden to CLARK's already failing health."

Informant advised on 6/27/63, that [redacted] returned to Las Vegas on the previous day and on 6/27/63, met with [redacted] at the Desert Inn Hotel. [redacted] was in telephonic contact with [redacted] [redacted] apparently stated he was going to contact [redacted] (possibly [redacted]) [redacted] stated he had seen [redacted] and had no message for him other than for [redacted] to check with him on the hospital loan. This probably related to a new loan to construct an addition to the Sunrise

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Hospital in Las Vegas, Nevada. [REDACTED] stated they hoped to get 1 1/2 million dollars cash and they also intended to sell some land in Las Vegas to raise the additional money that was going to be required. He stated it was difficult to make a definite move without DALITZ being available, and DALITZ was presently on his boat in the Mediterranean, and he could not be reached until July 10, 1963.

b7c [REDACTED] while he was in Los Angeles, California, apparently contacted [REDACTED] and also possibly SAM GARFIELD. He stated everything hinges on GARFIELD's attitude and whether he will finally agree to be completely honest with the people in New York. [REDACTED] stated he impressed GARFIELD and GARFIELD is the whole key to the thing and that if he does not cooperate [REDACTED] [REDACTED] stated he told [REDACTED] that [REDACTED] should have told them when he went and said something." [REDACTED] stated that he did not tell them and [REDACTED] was confused as to how they knew, since GARFIELD claims he did not tell them. (It was not clear to informant what [REDACTED] was referring to during this exchange.) [REDACTED] stated he told [REDACTED] that he, [REDACTED] had to make a decision one way or the other. He told him he could not "carry water on both shoulders." [REDACTED] reportedly stated he was going to go with [REDACTED] regardless of his close association with ROY COHN.

FBI

Date: 7/17/63

Transmit the following in _____
(Type in plain text or code)Via AIRTEL) AIRMAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (92-3068)

FROM : SAC, LAS VEGAS (92-461) (P)

SUBJECT: MORRIS BARNEY DALITZ
AR
OO: Las Vegas

[REDACTED] furnished the following information on the dates indicated:

Information from [REDACTED], if utilized, should be carefully paraphrased in order to further protect the identity of this source.

- ② - Bureau (R.M.)
- 1 - New York [REDACTED] ET AL)
- [REDACTED] (Info) (R.M.)
- 10 - Las Vegas:
- (1 - 92-461) (1 - 92-461 Sub 1)
 - (1 - [REDACTED])
 - (1 - [REDACTED])
 - (1 - 92-363 WILBUR CLARK)
 - (1 - 92-218 JOHN DREW)
 - (1 - [REDACTED])
 - (1 - 92-407 DESERT INN HOTEL)
 - (1 - 92-706 STARDUST HOTEL)
 - (1 - [REDACTED])

RETT
(14)

REC-29
92-3068-403
20 JUL 20 1963

60 JUL 25 1963

Approved: _____

Sent _____

M

Per _____

232

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Informant furnished no pertinent information on 6/28,29,30/63, or 7/1/63.

Informant advised on 7/2/63, that according to informant, WILBUR CLARK, President, Wilbur Clark's Desert Inn Hotel, had been taken to Scripps Clinic in La Jolla, California, where he was to be examined for an internal bleeding difficulty. While CLARK was being examined, he suffered a serious heart attack, and he will now be confined to the clinic for several weeks. There has been permanent damage to his heart, and any subsequent attack will probably be fatal.

b7c [redacted] Desert Inn Hotel, advised the informant that the hotel casino had not been doing well during recent months. He attributed this in part to the fact that the hotel is presently constructing a new addition, and there is inadequate parking adjacent to the casino. He stated [redacted] close associate of JOHN ROSELLI, Los Angeles Subject, was in the hotel on the previous night and had lost \$10,000. Two friends of [redacted] also lost approximately \$1,000 each. [redacted] made the observation that this was the first customer they had beaten in a long time.

[redacted] for the Desert Inn and Starline Hotels, stated he had been attempting to contact DALITZ for several days. He tried calling DALITZ in Nice, France, but had been advised that DALITZ was out on his boat and would not be available for several days.

[redacted] met briefly on this date with [redacted] and the informant [redacted] advised that the whole outcome of the matter apparently now depends on SAM GARFIELD. If GARFIELD will come forward and tell the truth, both [redacted] and GARFIELD will then probably [redacted]

[REDACTED]
[REDACTED] advised he desired to discuss the matter with DALITZ before he makes another trip to New York, but DALITZ will not come back to the country as long as he feels he may be subpoenaed and he cannot discuss the matter sensibly with DALITZ by long distance telephone.

Informant advised on 7/3/63, that on this date [REDACTED] met at the Desert Inn Hotel with [REDACTED], [REDACTED] but they did not come up with anything.

b7c [REDACTED] They sent this battery pack to the factory, and it was determined the batteries had been dead for at least one year. [REDACTED] explained to [REDACTED] that the installation was probably made at the time the office was constructed. [REDACTED]
[REDACTED]

[REDACTED] stated he had been in contact with DALITZ who was still in Europe, and DALITZ was very concerned about [REDACTED] problem in New York City. He advised [REDACTED] that he wanted to know immediately what the outcome of [REDACTED] and if it becomes absolutely necessary, DALITZ will come right back.

[REDACTED] made the observation that DALITZ, SAM TUCKER, and SAM GARFIELD were from the old school and would never crack under questioning; however, [REDACTED] was new at the game and might "break" under questioning. He stated that if [REDACTED] that the Nevada Gaming Control Board would probably want to take him off the license.